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Vol. XII, No. 730 號七廿月二年八十三百九千一英 HONG KONG, FEBRUARY 27, 1938 日八廿月正年寅戊次歲 年七十二國民華中 Price, 10 Cents Per Copy

SIR EDWARD GREY ERA DAWNS AGAIN

Lord Halifax Lauded: Unlikely To Stay At Foreign Office

London, Yesterday.

Commenting on the appointment of Lord Halifax to the post of Foreign Secretary in succession to Mr. Anthony Eden, the newspapers stress that Lord Halifax will remain Lord President of the Council.

This fact generally is interpreted as an indication that Lord Halifax does not intend to remain in permanent control of foreign affairs, and it is regarded as possible that Lord Halifax will relinquish the post of Foreign Secretary after having accomplished the tasks he has set himself.

"The Times" devotes an editorial this morning to a character study of the new Foreign Secretary, in which the journal declares that no better man could have been found for direction of foreign affairs than Lord Halifax, whose fairness and integrity are recognised and respected in Britain as well as abroad.

The journal believes that the appointment of Lord Halifax, a liberal and patriotic Englishman loyal to his principles, will give to the Foreign Office the same prestige which it enjoyed under

QUALITIES REQUIRED

"The Times" says that the qualities which characterise Lord Halifax are the very qualities which are most urgently required to-day for the direction of foreign affairs.

The journal rejects the Opposition's criticism of the appointment of a member of the House of Lords to the Foreign Office by saying that the Foreign Office has been successfully directed by Peers in the past.

Since the Prime Minister, seconded by the new Under-Secretary for Foreign Affairs, Mr. R. A.

Butler, is willing to reply to all interpellations regarding the conduct of foreign affairs in the House of Commons, the Opposition surely has no reason for complaint.

LABOUR INDIGNATION

The Labour organ, the "Daily Herald," publishes an article by the leader of the parliamentary Labour Party, Mr. C. R. Attlee, which declares that selection of Lord Halifax for the post of Foreign Secretary has roused a storm of indignation in Labour quarters. Mr. Attlee hints that Labour will act in the House of Commons against the appointment.

Mr. Attlee announces that the executive committee of the Labour Party will meet on Monday in order to discuss what steps are to be taken in the House against the appointment.

CABINET RESHUFFLE

According to the "Daily Mail," a general Cabinet re-shuffle is to be expected for Easter.

The fact that Mr. Neville Chamberlain has appointed Lord Halifax to the Foreign Office signifies, in the view of the "Daily Mail," that the Prime Minister wishes to gain time for reorganisation of the Cabinet.

Mr. Chamberlain's appointment is regarded by the paper merely as an interim solution for the duration of the Anglo-Italian parleys.

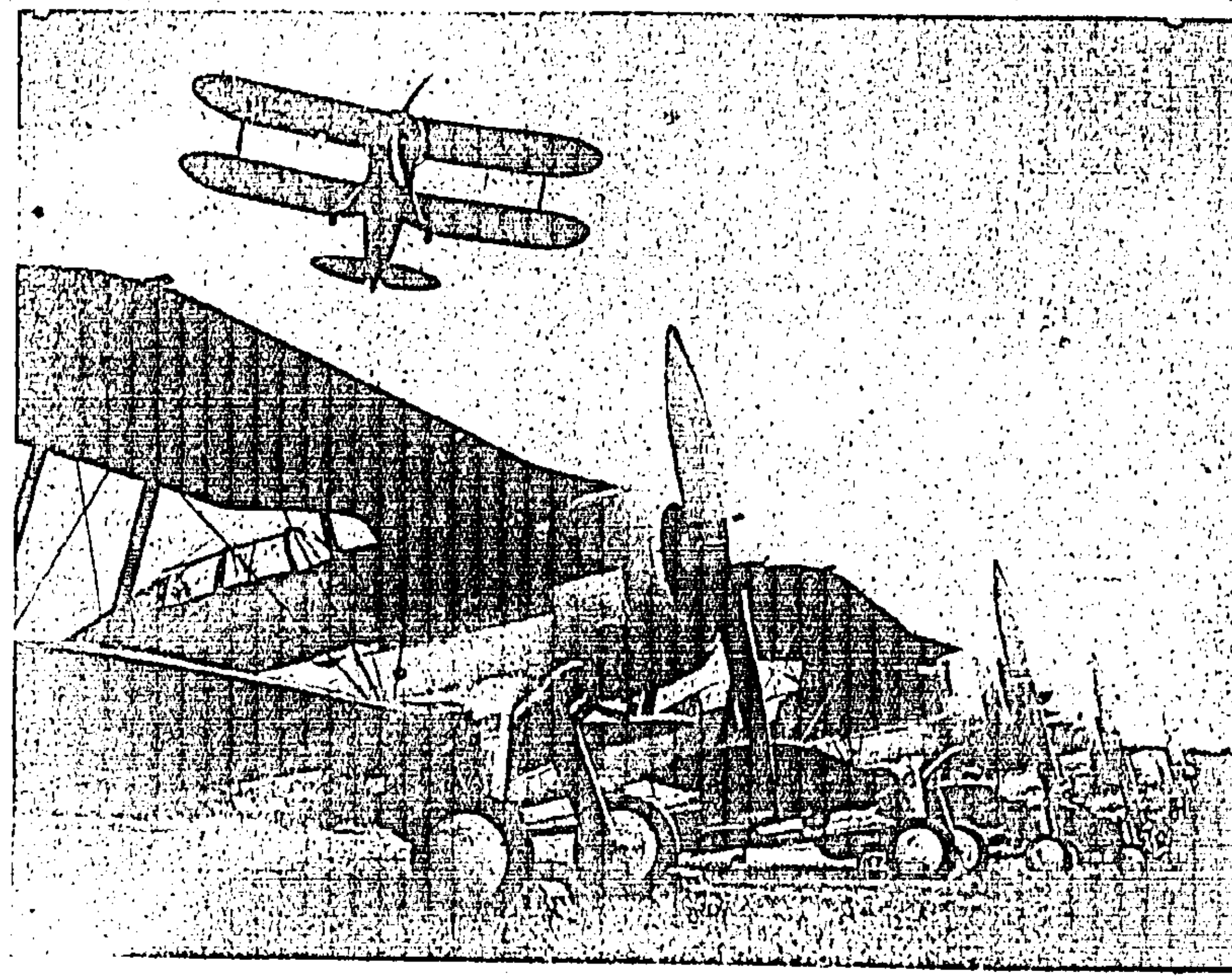
After conclusion of the Anglo-Italian parleys, which the paper does not expect to last more than seven weeks, more comprehensive changes will be made in the Cabinet.

AIR MINISTER

Nature and extent of these changes will depend on the outcome of the Anglo-Italian negotiations.

According to the "Daily Mail," the appointment of a new Secretary for Air will be one of the changes to be made in the Cabinet.

The paper cites rumours which declare that Mr. Winston Churchill will be asked to take over the Air Ministry, but expresses a doubt whether Mr.



A flight of Goster Gladiators, regarded as among the most efficient fighting craft in the world, and the speediest. Just brought into service with the Chinese Air Force, they have provided a severe shock for the Japanese airmen. (Copyright).

BRITAIN DECLINES TO GET OUT

Tokyo, Yesterday.

The British Government takes the view that the Japanese Government is responsible for seeing that no attacks are made by the Japanese forces on the life and property of British nationals in China.

This is the gist of a communication handed by the British Ambassador, Sir Robert Craigie, to the Foreign Office to-day in reply to the Japanese Note of Feb. 15 in connection with foreigners in the war areas, in which British nationals were advised to evacuate a huge area in Central China north of the Yangtze or otherwise to distinguish their property by means of flags and, if possible, to supply the Japanese authorities with maps showing the location.

British nationals in China, the British reply adds, may voluntarily wish to comply with the Japanese requirements.

Churchill will accept the offer in view of the recent developments.

NEW CANDIDATES

Possible choices for the post of Foreign Secretary in the event of a complete reorganisation of the Cabinet, according to the paper, are the Minister of Agriculture, Mr. W. S. Morrison, and the Dominions Secretary, Mr. Malcolm MacDonald.—Trans-Ocean.

Five French Air Force Officers Killed

Paris, Yesterday.

A twin-engined military aeroplane from Chateau Roux aerodrome, near Tours, crashed into a farmhouse last night when compelled by engine trouble to make an emergency landing.

The machine caught fire and all five occupants, two officers and three subalterns, perished in the flames.

The burning wreckage set fire to the farmhouse whose terrified occupants were able to save their lives only with the greatest difficulty.—Trans-Ocean.

CONFIRMATION OF TAIHOKU DAMAGE

Definite confirmation of the Chinese claim to have destroyed the wireless station at Taihoku during last Wednesday seems to be provided by the Royal Observatory, Hong Kong.

Since the raid, weather reports daily wirelessly from Taihoku have failed to come through, indicating that the station was seriously damaged.

Threat To Members Of Diet

Tokyo, Yesterday.

Inflammatory posters threatening members of the Diet who oppose the National Mobilisation Bill, have been plastered in the streets of Tokyo.

In connection with these posters, four Diet members called on Admiral Suetsugu, the Home Minister, to-day and requested the Government to maintain a more rigid control of peace and order in Tokyo.

Admiral Suetsugu assured the callers he would do his best to carry out their request.—Reuter.

SCHUSCHNIGG AND MUSSOLINI TO MEET

London, Yesterday.

The Austrian Chancellor, Dr. Kurt von Schuschnigg, will meet Signor Mussolini next week, says the "Daily Express."

The paper states that Signor Mussolini expressed a wish to confer with Dr. Schuschnigg after the latter had outlined future Austrian foreign policy in his speech on Thursday.—Trans-Ocean.

GRIM STRUGGLE FOR AIR MASTERY

Japanese Mass Raids In South China

CHINA'S CHALLENGE INTENSIFIES JAPANESE CAMPAIGN

Canton, Yesterday.

The recently intensified Japanese aerial campaign is apparently intended to deliver a smashing blow at the rapidly growing Chinese air force before it succeeds in driving Japanese planes from the skies of South China.

Instead of raids by single aircraft or small groups, as heretofore, the Japanese have begun mass attacks with squadrons of between 15 to 20 planes.

Following the spectacular air raid and air combats near the north Kwangtung border on Thursday, yesterday 21 Japanese planes were reported to have raided Wuchow, on the West River, while early this morning 15 Japanese planes were reported to have passed Canton heading northward, though as yet no information has come in of the result of the raid.

Most interesting and significant feature is the sudden appearance of a large number of Chinese pursuit planes, which, according to Chinese reports, successfully engaged the raiders, where formerly the Chinese relied solely on anti-aircraft guns.

Twenty Chinese planes are said to have been engaged against the enemy in the raid on Wuchow.

NANCHANG LOSS DISPUTED

Shanghai, Yesterday.

Disputing the Chinese claim that eight Japanese planes were shot down in yesterday's air raid on Nanchang, in Kiangsi, the Japanese spokesman said to-day that only two Japanese planes failed to return to their base.

On the other hand, it is claimed that 42 out of 50 Chinese planes which took to the air against the Japanese, were shot down.

In addition to five hangars at the new aerodrome, the aircraft repair shop and five other buildings, including the barracks, were hit by bombs and set on fire, while the Aviation Commission building was demolished.

The spokesman added that the Chinese machines were monoplane of Soviet manufacture and American Curtiss Hawks.—Reuter.

CANTON VISITS

The vicinity of Canton itself continues to receive regular visits, particularly the air fields in the eastern suburbs, where this morning two Japanese planes circled round apparently looking for Chinese planes.

They were met with heavy anti-aircraft fire, and after dropping a few bombs, which did not do much damage, departed.—Reuter.

JAPANESE RAID FUKIEN

Foochow, Yesterday.

Kienow, in north Fukien was severely bombed by a squadron of sixteen Japanese planes during a raid at nine o'clock this morning.

Yapu in east Fukien was also bombed. The damage inflicted has not yet been ascertained.—Central News.

JAPANESE PLANE DOWNED

Canton, Yesterday.

Another Japanese plane was shot down by anti-aircraft gunfire during a raid on points along

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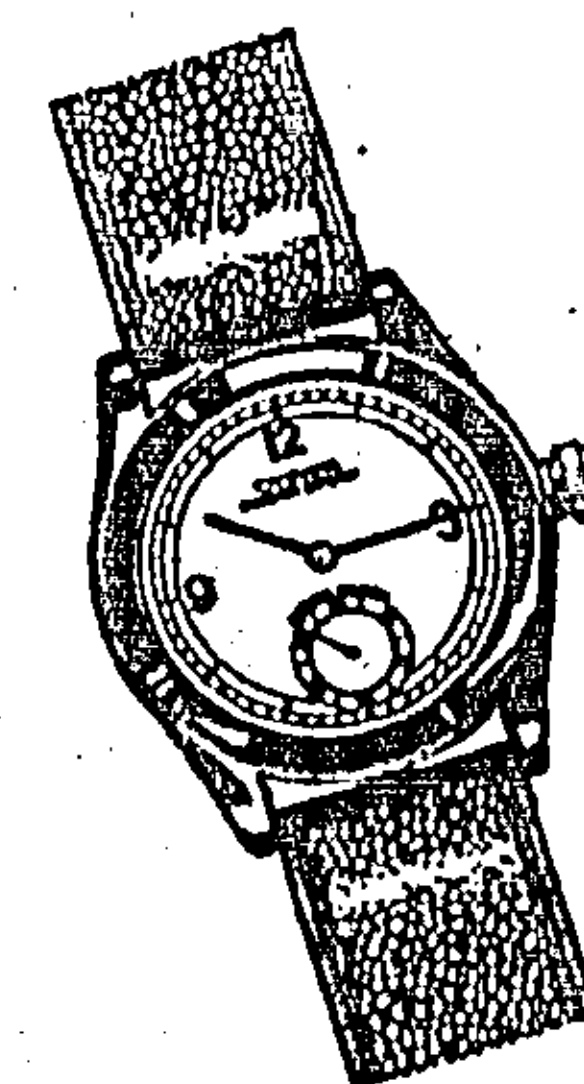
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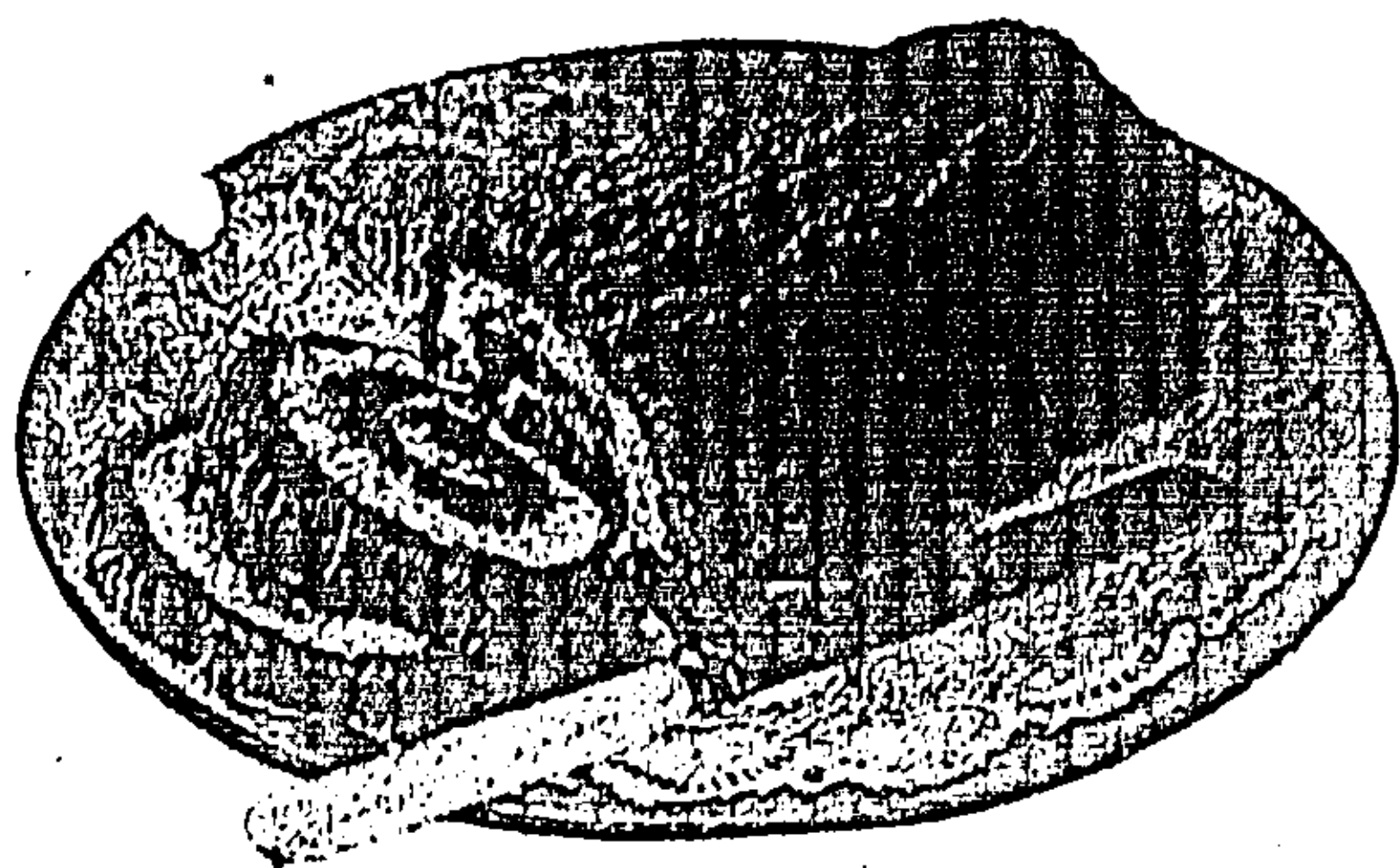
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Chocolate Cookery



Grease a Swiss-roll tin and line with paper. Sieve 4oz. flour with one level teaspoon baking powder and a pinch of salt. Cream 2oz. margarine or butter, then add 4 oz. sugar and two eggs, one after the other, beating them in hard. Stir in the dry ingredients alternately with the milk. Put into the prepared cake-tin and bake in a hot oven for about 9 to 10 minutes until it is lightly cooked. Turn on to a sheet of paper, well dredged with sugar, spread with warmed apricot jam, and roll up to form a good shaped roll. Put on to a wire cake tray to cool. Trim the edges, spread the whole of the roll with chocolate butter icing, and mark with a fork to represent the bark of a tree.

For the icing cream 4oz. fresh butter and add 6oz. sieved icing sugar by degrees. Blend well together, add a little vanilla essence and lastly 2oz. block chocolate melted.

This is one of more than a 100 recipes for sweets, cakes, icings, puddings and special drinks, some plain, some elaborately attractive, all tested and many highly original, in a new cookery book, "Chocolate Cookery," edited by Mrs. D. D. Cottingham-Taylor, and published by Cadbury Bros., Ltd., Bourneville.

Lyonnais Salad

Take 6oz. cooked macaroni, 6oz. cooked fish, 1 gill mayonnaise, 3 teaspoonfuls Tarragon vinegar, 2 hard-boiled eggs, some chopped parsley, 1 lettuce, seasoning.

Flake the fish and remove skin and bones, then cut macaroni into short lengths. Mix well together and add the Tarragon vinegar and mayonnaise. Heap up on a bed of shredded lettuce, garnish with quarters of hard-boiled egg, and sprinkle with chopped parsley.



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Poke Bonnets, Pancake Hats

At last, after months of planning and heart-burning, of jealously guarded secrets and search for new ideas, leading designers have revealed their Spring ideas.

For although a number of important London houses have their shows still in the future, Paris has had its say; and whether we like it or not, what Paris says with regard to clothes still goes.

First as to hats, for although in the properly planned wardrobe the hat should be purchased to complete and match the outfit, the habit of buying a spring hat just to cheer ourselves up and add a touch of brightness to clothes which begin to look a little tired, does commend itself to many of us.

Above you will see examples of two of the most interesting new styles, the Poke Bonnet and, on the right, the Watteau.

This Condor Poke has been designed by Blanche and Simone in navy blue, and has ribbon velvet clustered in fuchsia tones as trimmings, charming and feminine, but only for the young.

The Watteau in the picture, also a Condor, has been carried out in a new basket weave, is worn tip-tilted over the eye, and has a deep back bandeau.

Don't be afraid of the tip-tilted Watteau; it is a good deal more practical than it looks. The bandeau is the important thing in a very large number of these new season's hats, not only adding to the decorative effect, but saving you some trouble in securing that rakish tilt and a great deal of trouble in keeping it there.

They may look frivolous, but they are more comfortable and more secure than anything we have worn for some time past, and the rakish tilt is very becoming.

Crowns are almost universally flat, though the effect of height may be given by means of trimming.

In addition to the Poke and the Watteau, there are the Mandarin, sailors with flat brims, sailors with curled brims, and a few off-the-face hats, easier to wear than their predecessors because of their forehead bandeaux.

Trimming include veils, lots of them, some trimly Edwardian, others gracefully flowing, natural coloured flowers, pique, wired petersham, cherries (again Edwardian), and new light-weight jersey.

Of colours there are a number of deep blues. Navy blue was once a sober and unexciting shade associated with school uniforms and ultra res-



pectability, but the new hues bring out more variations on navy than you would think possible.

Pinks range from deep Bishop's Cerise, Beet and Spindle-berry to the vivid Shocking Pink. These hues again are sub-

tle variations on magenta and wine shades, which were once associated with dullness. Fuchsia effects are often very lovely, particularly on a straw of a rich burnt sugar shade. Novelties include a new way

of sewing jagged natural straw on edge.

Schiaparelli, who will have her little joke, seems to have been affected by the surrealist painters with whom she is ac-

quainted. That is the impression gained from her crushed topers, her black straw replica of an ink pot, complete with lid and quill, and her straw covered white wigwam.

Most interesting dress information for the average woman is that for day wear the tailored silhouette still holds good.

Says my Paris correspondent, never have outlines been trimmer or less funny.

The bolero, she writes, is all prevailing at all times of the day and night, sometimes matching the blouse, sometimes the skirt of the ensemble, of which it is an important element. The short jacket length for tailored suits is the more popular for the moment, though the newer line reaching to wrist or knuckle be noted.

An interesting note is seen in the number of convertible frocks designed with the ingenuity of a Maskelyne.

Patou, too, carries out the idea magnificently with an evening frock in black.

Imagine a ravishing little short-sleeved bodice, glittering, closely fitting and beaded all over with tiny black bugles with a full skirt of black tulle. This skirt is detachable, as is the wide corselet belt, leaving a day frock all beaded with ecinture of crepe, and over this is worn a neat black tailored coat.

Add to this a little sailor hat in beads, and you have a picture of the creation which called forth more "ohs" and "ahs" of admiration than any in the showing.

No reason why this idea, which was in this case carried

Maud Dawson's Gossip

out in de-luxe form, should not be introduced on a more modest scale and become a boon to the woman who has not the time or opportunity to go home and change into her evening regalia before a dance or show.

When choosing materials, look out for spots and stripes in wool, in tulle, and in the ever-recurring "surah" or the silk, which is the newest and most popular material of the day. It will be featured in tailored suits, bolero or blouse, for gloves or hat trimming.

Lace, too, is popular, either as it is self-embroidered, and the printed silks this season are real lovely.

Worsted and pin-stripe suitings are "right" for morning "tailleure"; ottomans and gro-grains are used for suits, evening frocks and coats, floral-printed tulle, organzas and chiffons for evening.

Spread Of Fashion

MR. CLIFFORD GESSLER, in his book, "Dangerous Islands," relates how fashion can interest the primitive natives of the remote South Seas. Topuka, the atoll visited by the author, is a hundred miles from any other land, no white men live on it, and few ships call there; yet the girls are profoundly interested in modern dress fashions. Mr. Gessler was amused to see a group of them gathered around a fashion plate in one of his magazines and "compare it with their own simple knee-length dresses and discuss it in rapid Tuamotuan with eloquent gestures that left no doubt of the meaning."

Your Face Is Your Fortune

"THERE she is, there's Mary."

"Where? Oh yes, I see her, in blue, beside a tall man. Yes, Yes Jack, I do see her, don't push me over into the harbour. Mary needs me as her bridesmaid-to-morrow you know!"

The outward bound ship slowly docked, and journeys ended in lovers meeting.

Later, Jack busy with baggage, Mary and Anne scrutinised each other with the affectionately critical regard of women friends of long standing.

"Mary, my dear" Anne broke the silence "I must tell you I think you are looking simply lovely. That shade of blue is made for your blue eyes."

"Sweet of you, Anne" replied Mary "I am rather pleased with this rigout. I bought it all in one shop, the suit first, then the hat and accessories to tone. I look extremely plain if I get my colours wrong you know."

"Who doesn't?" said Anne "Have you ever seen me in yellow—never again, not even if it were a Paris model going for five dollars. But seriously Mary, home leave has done you lots of good. Your complexion is marvellous."

"Marvellous" is the word" laughed Mary "I expect home air helped, but I made a great beauty discovery Anne."

"Tell me quickly" said Anne "the juice of three mangelwur-zels boiled with potato peelings or something like that?"

"Much simpler, and smells nicer too. I'll begin at the beginning. You know I went to visit Jack's people, I had never

met them, and felt rather nervous, specially of Jack's sister."

"She runs a super beauty shop doesn't she?" said Anne "Isn't she very Bond Street?"

"She's a pet" replied Mary with enthusiasm, "and so lovely to look at. I was amazed when we met, she looked so young, yet I knew her to be older than Jack, and he is five years older than I am. She is dark like Jack with brown eyes like his."

"Keep on with your story" said Anne sternly.

Mary laughed and continued "Janet and I spoke the same language right away and sitting at my bedroom fire the first evening we were laughingly relating our first impressions of each other. I told Janet that I thought she must be a younger sister of whom I hadn't heard. Janet laughed and told me that she is five years older than Jack. Of course I did a rapid mental calculation, result, Janet ten years my senior. It didn't seem possible. I said "But Janet your skin looks so young, mine is dull in comparison and so patchy". To my surprise Janet went to my dressing table. "Look my dear, these caught my eye whenever I came in. It's my job, of course," she added half apologetically. "You have four different brands of makeup, and you know Mary, your rouge and lipstick don't just quite match."

"I don't know what Janet would say to my dressing-table" sighed Anne. I go on the "trial and error" system and I'm still at the error stage. What is the solution?"

"Janet gave it to me, and all in one box. Marvellous Eye-matched Makeup. Richard Hudnut has discovered it. He has made a study of beauty culture and has discovered that every woman has what he terms a "personality colour." It is the colour of the eyes, which after all give expression to the face."

"Mirrors of the soul" murmured Anne.

"Powder, rouge and mascara are blended to tone" continued Mary "and there's eye shadow and mascara to give beauty and depth to the eyes themselves. Janet gave me a Marvellous makeup in her beauty shop the following day, and I was so thrilled with my improved appearance that I scrapped all my haphazard cosmetics right away."

"Since then I have used no other" quoted Anne.

"Having discovered Marvellous" continued Mary "I began to notice that smart women at home are using it. In dressing rooms of restaurants and theatres everywhere I met Marvellous. I brought a set for you Anne, Patricia, for your grey eyes. It is in my bag, it's not very large, there you are, use it to-morrow, you want to look your very best."

"Thank you Mary you are a darling" said Anne "Jack is coming I must fly—I'll come this evening to go over arrangements for to-morrow. It looks like being a Marvellous wedding!"

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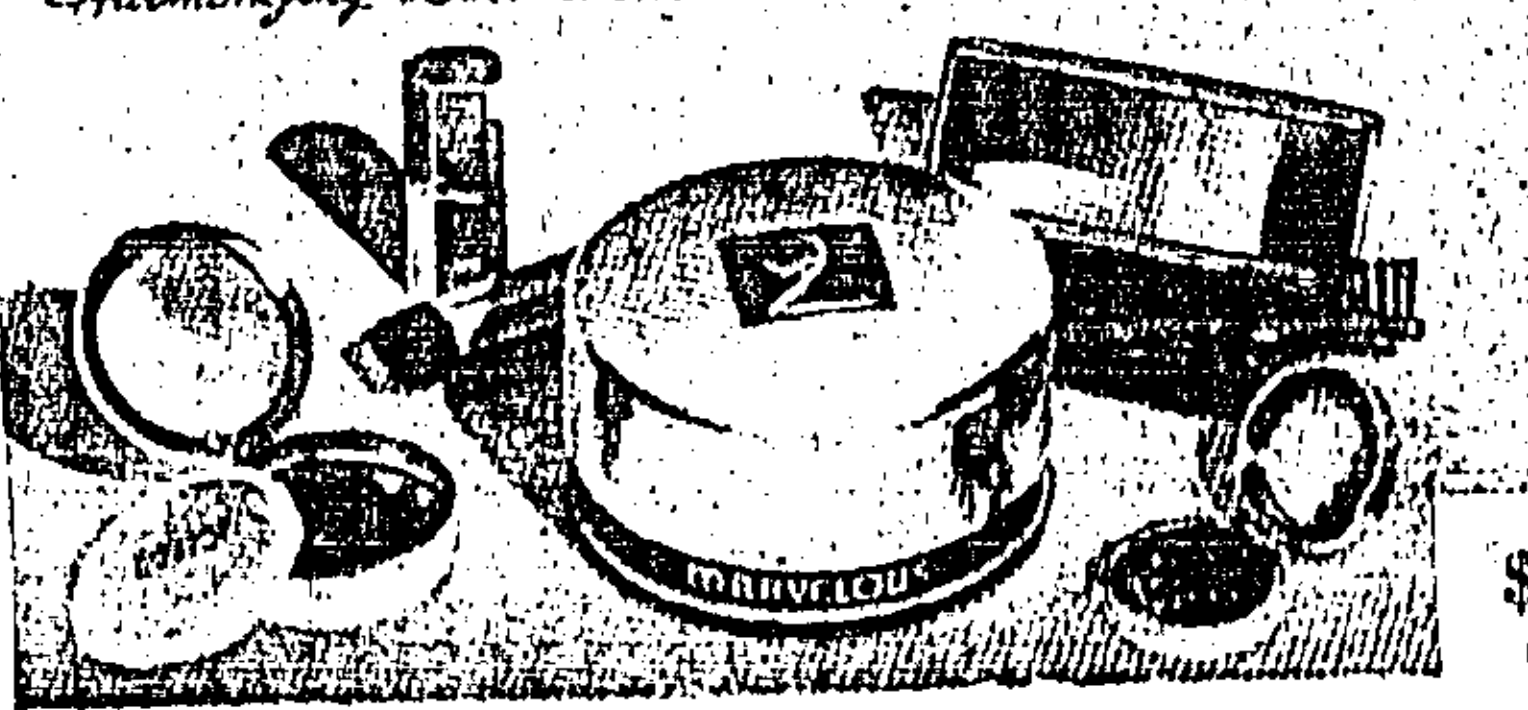
APPLAUSE! Lucille Manners is welcomed with rounds of it when she steps out to sing on a broadcast programme. And applause she promises you when you share her beauty secret.

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FIND THE MAKEUP THAT MATCHES YOU at your favourite drug or department store. Dresden type, if your eyes are blue; Parisian type, if they're brown; Continental type for hazel eyes; Patricia type for grey eyes. Full size packages of the face powder, rouge, lipstick, eye shadow or mascara only \$1.75 each.

THRILL HIM TO-NIGHT—with your new beauty in Marvellous Eye-Matched Makeup.

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SELF-SUFFICIENCY OR WORLD POLICEMAN?

France In Conflict On Policy

JAPAN'S WAR BUDGET PASSED

Tokyo, Yesterday.
The Cabinet has passed the extraordinary military budget which provides for expenditure of 4,000,000,000 yen.—Trans-Ocean.

UNUSUAL STEP BY BRITISH AMBASSADOR

Paris, Yesterday.
Much speculation has been heard in Paris for the last 24 hours over a surprise call which the British Ambassador, Sir Eric Phipps, paid on the Premier, M. Camille Chautemps, and the Foreign Minister, M. Yvon Delbos, in the Chamber of Deputies yesterday morning.

It is now reliably learned that Sir Eric informed the French statesmen of the conditions on which Britain was prepared to enter into negotiations with Italy.

These conditions, it is stated, can be summed up under three headings:

Recognition of the Italian regime in Abyssinia.

Naval parity in the Mediterranean, and

Granting of belligerent rights to both parties in Spain.

Apparently it has been decided to drop all reference to Egypt and the Suez Canal.

UNUSUAL STEP

The British Ambassador is said to have given the French Ministers the assurance that Britain will continue to keep France fully informed on all phases of the Anglo-Italian negotiations.

Much significance is seen in Paris in the fact that Sir Eric Phipps adopted the procedure very unusual for a diplomat of calling at the Chamber to see the French statesmen.

It is generally presumed that this was done in order to stress the importance that is attached to continued Anglo-French co-operation.—Trans-Ocean.

PRESS CONTROL IN AUSTRIA

Vienna, Yesterday.
A law for control of the press was promulgated today. The Minister of the Interior, Herr Zeiss-Inquart, may take action against any newspaper which prints articles endangering internal peace or Austrian relations with foreign states.—Reuter.

Reserve Maintained On British Cabinet Upheaval

PARIS, YESTERDAY.
M. YVON DELBOS, THE FOREIGN MINISTER, IN A SPEECH BEFORE THE CHAMBER OF DEPUTIES TO-DAY, STRESSED HIS DISSENT FROM BOTH CONFLICTING VIEWS THAT HAD FOUND EXPRESSION IN VARIOUS INTERPELLATIONS ADDRESSED TO THE GOVERNMENT ON THE SUBJECT OF ITS FOREIGN POLICY.

On the one hand, he said, there were those who advocated a policy of abstention equivalent to self-sufficiency, and on the other hand those who, like the Communists, were anxious to see France play the part of a world policeman.

The situation, he said, was dominated by the Franco-British entente.

He said that the independence of Austria was an indispensable element of European equilibrium, and that no hegemony could be permitted in the Danubian Basin. France's obligations to Czechoslovakia would in any case be faithfully observed.—Trans-Ocean.

After recalling the complete agreement which had always prevailed between Mr. Neville Chamberlain and the French Government, M. Delbos emphasised the desirability of putting an end to Anglo-Italian controversies.

SOVIET PACT

He stressed the solidarity uniting France to Poland and the Little Entente, and affirmed his confidence in the peaceful character of the Franco-Soviet Pact, which the French Government was determined to apply loyally and to place above the level of political propaganda.

France was also determined to defend the League of Nations.

The fact that some powers had abandoned the League should not be the reason for not reaching an understanding with those powers, but the condition of any such understanding must be the common will to save Europe from the catastrophe threatening her.

NO DANUBE HEGEMONY

France was resolved to defend the integrity and independence of Spain and to keep careful watch over the security of all friends of France.

ANGLO-FRENCH SOLIDARITY

Paris, Yesterday.
Replying to points raised on the international situation in the Chamber of Deputies to-day,

He said that the independence of Austria was an indispensable element of European equilibrium, and that no hegemony could be permitted in the Danubian Basin. France's obligations to Czechoslovakia would in any case be faithfully observed.—Trans-Ocean.

LEAGUE'S MEDICAL AID TO CHINA: EXPERTS ASSUME DUTY

Hankow, Yesterday.
Having completed its preparations the Commission of health experts appointed by the League of Nations to co-operate with the anti-epidemic services of the Chinese Government, has started active work.

Three anti-epidemic units have been organised with headquarters located at Sianfu, capital of Shensi, Changsha, capital of Hunan, and Nanning, capital of Kwangsi.

The Nanning headquarters will also maintain a branch in Canton.

Three units are headed by League experts, while Chinese delegates from the National Health Administration are attached to each unit.

Professor Hermann Mooser, a Swiss subject, is in charge of the Sianfu office, Dr. Robert Cecil Robertson, a Briton, is head of the Changsha headquarters, while a Frenchman, Dr. Lasnet, is in charge at Nanning.

The units will be maintained by contributions from both the Chinese Government and the League.

READ OWN OBITUARY

Dr. Robertson was formerly connected with the Henry Lester Institute in Shanghai. He was erroneously included in the foreign death list in the bombings in Shanghai on "Bloody Saturday," and had the unusual experience of reading his own obituary notice in the London newspapers.—Reuter.

Chinese Giving Ground In Big Shansi Operations

Troops Threatened With Encirclement By Japanese



An artistic pose by Margot Weyer and Dawn Digby, pupils of Miss Daisy O'Keefe, who are appearing in the King's Theatre display on Wednesday.

MECHANISED FORCES MAKE RAPID ADVANCE

Shanghai, Yesterday.

About 250,000 Chinese troops are retiring in the region of the Taiyuan-Pucheng Railway, especially in south Shansi, as they are in danger of being encompassed by the Japanese troops advancing in four columns from north and south, it is claimed by the Japanese military authorities here.

One Japanese column is moving from Taiyuan, in north Honan, in the direction of Yancheng, in south Shansi.

The second is advancing from Taiyang in the direction of Kuwo, in Shansi, the third is advancing in a parallel direction on Tanku, on the northern bank of the Yellow River, and the fourth column is marching from Luan, in south-east Shansi, on Minteng.

The Chinese troops are positioned between the frontiers of Honan and Shansi, and are threatened from three sides. They may possibly be faced with the one prospect of being able to retire across the Yellow River in the direction of Shansi.—Trans-Ocean.

LISHIH TAKEN

Shanghai, Yesterday.
Continuing the drive in western Shansi, a Japanese flying column has occupied Lishih, thus drawing within 30 kilometres of the Shansi-Shensi border, according to Japanese reports from Taiyuanfu.

The Chinese troops, commanded by General Fu Tao-yi, Governor of Suiyuan, it is claimed have been compelled to retreat further into the mountains after a brief but fierce engagement.

Meanwhile, Japanese units are stated to have come within sight of Lingshih, fall of which is expected at any moment by the Japanese military authorities.

The Japanese are reported to be attacking Lingshih from three directions.

"ENCIRCLED"

The Japanese spokesman in Shanghai said to-day that the Chinese forces in southern Shansi had been encircled by the Japanese forces, and "are in danger of complete annihilation."

Replying to a question the spokesman said it was impossible to give any figures concerning the number of Japanese troops engaged in the operations.

One foreign correspondent pointed out that the Chinese troops, even if hard pressed, still had an avenue of escape westwards, and could, by crossing the Yellow River, enter the adjoining province of Shansi.

The spokesman did not dispute this.

FLANKING MOVEMENTS

The spokesman indicated that by flanking movements the Japanese would soon be in a position to attack the Chinese massed in the Lingshih area from the rear. Lingshih, where strong fortifications have been erected and where 100,000 Chinese troops are

It should not be confounded with Lishih, 60 miles west-southwest of Taiyuan and 25 miles from the Shansi-Shensi border, which the Japanese claim to have already captured.

Turning to operations on the southern section of the Tientsin-Pukow Railway, the spokesman said: "The Chinese forces north of Pengpu—such as at Kuehen—are retreating northward. They have apparently lost all intentions to fight."—Reuter.

JAPANESE HARASSED

Shanghai, Yesterday.

According to Chinese reports the Japanese have not yet attempted to cross the Yellow River either at Kaifeng or at Chengchow.

Over 4,000 Chinese regulars are reported to be harassing the Japanese north of the Yellow River along the Peiping-Hankow Line, and are responsible for halting the Japanese advance further southwards.—Our Own Correspondent.

YELLOW RIVER CROSSING ATTEMPT FAILS

Shanghai, Yesterday.

An attempt to cross the Yellow River at a point west of Chengchow, by three hundred Japanese troops was frustrated early this morning, according to despatches received here.

Large numbers of Japanese troops are stated to be reinforcing those already along the northern banks of the Yellow River, and heavy artillery is being placed in position.

Everything is quiet along the River except for occasional rifle fire, but an artillery bombardment by the enemy is expected at any moment.—Our Own Correspondent.

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EMPEROR'S UNCLE WARRIOR BACK IN TOKYO

Tokyo, Yesterday.
Lieut.-Gen. Prince Asaka, formerly commander-in-chief, Japanese forces in the Nanking area, and Lieut.-Gen. Yanagawa, formerly commander-in-chief, Japanese forces in the Hangchow area, arrived in Tokyo at 9.30 this morning from Shanghai.

Prince Asaka was accompanied by Gen. Matsui, commander-in-chief in Central China, and Lt.-Gen. Yanagawa, and proceeded to Hayama, where the Emperor is staying, in order to submit a report to His Majesty on the military situation in China.—Reuter.

LONDON SILVER MARKET

London, Yesterday.
London silver prices to-day were unchanged for Spot & down 1/16 for Forward as follows:—
Feb. 28 Feb. 26
Spot 20-3/16 20-3/16
Forward 19-15/16 19-7/3
—Our Own Correspondent.

Italy Losing Last Taint Of Liberalism And Democracy

Rome, Yesterday.

THE Fascist Grand Council on March 5 will deliberate "constitutional reform of the most far-reaching consequences"—creation of a Fascist and corporative chamber to replace the Chamber of Deputies.

It is recalled in this connection that Signor Mussolini in his speech on November 14, 1933, declared that he had never been pleased with the Chamber of Deputies since it had been an anachronism and did in no way correspond with Fascist mentality.

In March, 1936, Signor Mussolini declared "In the Fascist programme the people are the State and the State is the people."

POINT ATTAINED

The newspaper "Stampa" says that nothing is being improvised in the construction of the Fascist state but everything executed after all conditions of such reorganisation have been fulfilled. This point had now been attained.

By this reform Italy would give up all democratic and liberal institutions, the last remainder of which had been the Chamber of Deputies.—Trans-Ocean.

B.B.C. DEBATE BANNED BY GOVERNMENT

London, Yesterday.

Further indication of the intention of the British Government to seek understanding with Italy and Germany, is seen in the banning of an item in yesterday evening's B.B.C. programme.

The item had been entitled "The Road to Peace," and was to be a dialogue between Mr. Wedgwood, the Labour M. P. and Dr. Salter.

It is learned that the item was banned shortly before it was due to go on the air on the grounds that it made inopportune attacks upon the policy of Herr Hitler and Signor Mussolini.—Trans-Ocean.

JAPANESE POLITICAL BATTLE

Parties Fighting National Mobilisation Bill In Diet

PRINCE KONOYE PREPARED TO ACCEPT THE CHALLENGE

Tokyo, Yesterday.

The debate in the House of Representatives on the Bill destined to give the Government extensive powers in order to carry out mobilisation of all military, economic and spiritual forces of the country, came in for severe criticism by Minseito and Seiyukai deputies who have an overwhelming majority in the House.

Whereas the Government spokesman described the measure as justified by the clauses in the constitution providing for emergency legislation in case of war, deputies unanimously declared that result of the bill, if it became law, would be abolition of the fundamental rights of citizens.

They further maintained that the Emperor alone would have the right to exercise such Powers as those demanded by the Government.

Unless the Government radically alters the bill a major conflict seems inevitable.

ARMY INSISTS

The War Minister, Gen. Sugiyama, stressed that Japan had not only to defend herself against dangers resulting from the Sino-Japanese war, but must also reckon with "events of still greater importance."

Hence, mobilisation of Japan's economic forces alone would not suffice and the entire moral, physical and economic strength of the country must be mobilised.

He continued that the army insisted on the Bill being passed.

COMPLICATIONS FEARED

It is stated that after the session, the Minister of the Interior, Admiral Suetsugu, visited

the Premier, who emphasised the necessity of passing the bill.

Political circles believe that the Premier is resolved to accept the parliamentary challenge, and serious complications are feared in the event of the political parties persisting in their demand for modification of the measure. — Trans-Ocean.

SCHUSCHNIGG MEETS LEADERS

Vienna, Yesterday.
A meeting of leaders of the Austrian Patriotic Front was held in Vienna yesterday, with Chancellor Schuschnigg presiding. Dr. Schuschnigg explained the new principles agreed upon at his Berchtesgaden conference with Herr Hitler. — Trans-Ocean.

CZECHO-SLOVAKIAN STATEMENT OF POLICY

Prague, Yesterday.

An important address by the Czecho-Slovakian Premier, Dr. Milan Hodza, will be given before the Chamber on March 4, when he will deal with recent events in Europe.

The speech was originally planned for February 25 but has been postponed for a week. — Trans-Ocean.

After Berchtesgaden- Sweet Music

Vienna, Yesterday.

One of the first results of the new Austro-German agreement lie, not in the political but in the musical field.

This was revealed yesterday when it was announced that the Bavarian State Theatre Company will present "The Lady of the Camellias" and "Die Meistersinger" at Linz.

In return, an Austrian company will present a Johann Strauss opera in the German town of Passau. — Trans-Ocean.

ROBBED OF NOBEL PRIZE FUNDS

Berlin, Yesterday.

A lawsuit began here yesterday before the alderman's court when Dr. Kurt Wannow was charged with having misappropriated the greater part of a sum 165,849 Norwegian crowns, being the amount of the Nobel Peace Prize awarded at the end of 1936 to Karl von Ossietzky.

Wannow had undertaken to receive the payment in Oslo and to invest the proceeds suitably in Germany, and had been authorised to do so by Herr Ossietzky.

Wannow was to have received the sum of 20,000 German marks for his services. The prize money was eventually transferred from Oslo to the Reichsbank in Berlin, after which Wannow received his payment, as agreed.

POWER OF ATTORNEY
Wannow ultimately persuaded Herr von Ossietzky who was at the time very ill, to give him full power of attorney to withdraw sums from the Reichsbank at his (Wannow's) discretion.

Wannow is alleged to have used this authorisation to make large unsecured loans to friends and to himself.

Finally, the German secret police came on the scene but were in time to save only 16,500 Reichsmarks of the total prize money. The case is proceeding. — Trans-Ocean.

SAFETY OF SUEZ CANAL

London, Yesterday.

The report that the Egyptian Government has asked to be allowed to participate in the forthcoming Anglo-Italian negotiations, is the subject of comment by British newspapers.

Actually, Egypt's request has not been officially received by Whitehall, being reported only in press messages from Cairo. — Trans-Ocean.

Sharp Foreign Affairs Debate In Paris Chamber

Paris, Yesterday.

Wild scenes were witnessed in the Chamber of Deputies yesterday during a speech made by Deputy Grumbach.

The president of the Chamber, M. Edouard Herriot, implored the deputies not to provoke any untoward incidents, "since at the present juncture, every incident in the Chamber arouses undue attention elsewhere."

Despite this appeal, M. Herriot was forced to intervene again and again.

M. Grumbach, in his controversial speech, said that Franco-German relations dominated everything in Europe today.

To the extent that Germany endeavoured to change her relations to Central and Eastern Europe, the German problem changed equally for France.

It was not France's mission, he said, "to restore to Germany the freedom which she had not understood how to retain."

BLUM'S EFFORT

The speaker declared that M. Leon Blum, when Premier, had tried to find a basis of negotiation with Germany and to this end had negotiated with Dr. Hjalmar Schacht, then Economics Minister in Berlin, "who, however, had since then been ejected."

Peace with Germany "can certainly not be built on the basis of Herr Hitler's last Reichstag speech."

A Right Wing Deputy declared that France desired peace but peace with dignity and respect.

The French army, he added, was the strongest in Europe.

ON THE DANUBE

After attacking Germany and Herr Hitler's speech, the Deputy turned to the Austrian question, and declared that "the fate of France was decided on the Danube."

France, he said, would not mobilise for Austria or Czecho-Slovakia but for England and France.

An Austro-German Anschluss (economic union) was not yet an accomplished fact.

It was still not too late for England and France, said the Deputy, who welcomed Mr. Neville Chamberlain's intention to come to an understanding with Italy and asked if the French Government would not follow England's example.

He concluded by demanding a policy of "watchfulness." — Trans-Ocean.

HITLER'S STATE VISIT TO ROME

Berlin, Yesterday.

It is understood that an official announcement regarding Herr Hitler's forthcoming visit to Italy will be published next week.

The State visit is expected to take place in May, and will be of about a week's duration.

The further will probably stay at the Quirinal Palace when in Rome, and will also visit Naples and Florence.

Besides the Italian army manoeuvres, Herr Hitler will attend three mass demonstrations of the Fascist Party. — Trans-Ocean.

tations, is the subject of comment by British newspapers.

Actually, Egypt's request has not been officially received by Whitehall, being reported only in press messages from Cairo. — Trans-Ocean.

French Steamer Escapes Floating Mine

Paris, Yesterday.

The French steamer "El Diezajr" sighted a floating mine in Spanish waters off Medas Lighthouse yesterday.

The captain stopped the vessel and the crew fired rifles at the mine, which although hit several times, did not explode.

The captain then hailed a French destroyer which fired at the mine with machine-guns, the mine exploding with a terrific detonation. — Trans-Ocean.



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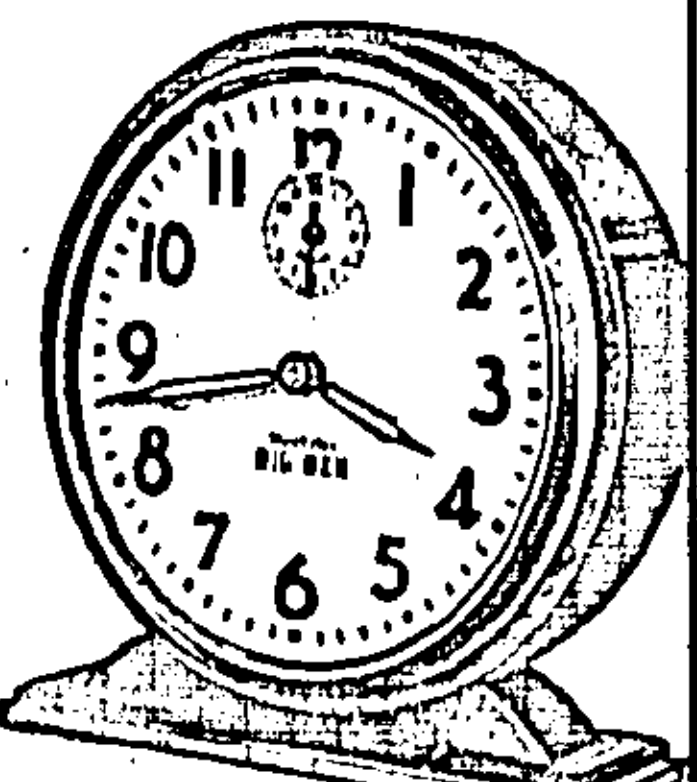
SIBERIA SABOTAGE EXECUTIONS

Moscow, Yesterday.
Four Russian railwaymen employed on the Soviet-Manchukuo frontier were sentenced to death yesterday by the supreme court of the Baikal territory for sabotage.
The men were accused of having, "at the instigation of a foreign power, caused nine train collisions which resulted in much material damage and injury to passengers."—Trans-Ocean.

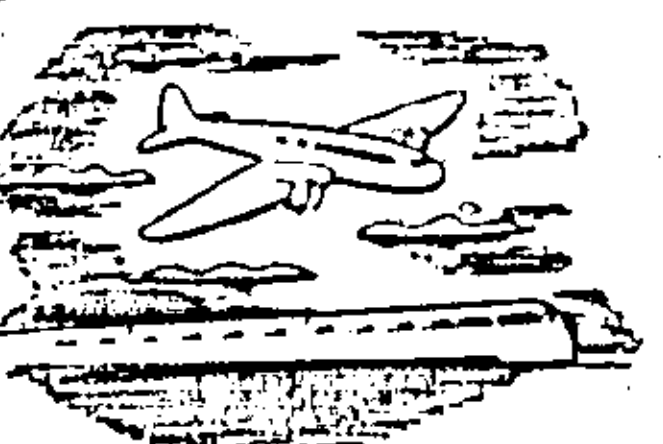
TO CORRESPONDENTS

J. L. and T. Y. F.: Pressure on space prevents publication of your letters this week.

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BIG GUNS IN ACTION AS DEMONSTRATION FOR VISITORS

An insight in the intricacies of Hong Kong's fortress defence system and an opportunity of seeing one of the big guns in action was among of the most interesting experiences of the Islington Corinthians' stay in Hong Kong, in a visit paid to the new Forts at Stanley as the guests of the Area Sports Board.

Lieut. E. H. B. Neil, Football Secretary of the Hong Kong Area Sports Board, and Major Yates, R.A., conducted the party to Stanley.

BARRACK BUILDINGS
First thing to strike the visitors was the extensive building activity on newly commenced blocks of buildings which the visitors were told to be barracks when met by Colonel A. Burrows, C. R. A., Major J. M. Smith, I. G., Colonel B. D. C. Trent, M. C., R. A., officer commanding the 8th Heavy Brigade R. A., at Stanley.

Major Oliver indicated the nature of the "secrets" to be revealed, stating that the new fort was equipped with three big guns, each weighing several tons, which had had to be landed in the bay and manhandled into position by the R. A., a task which involved much time and labour.

THE BIG GUNS
He dwelt shortly on the utility of the gun, which can fire a shell of well over 300 lbs. a distance of say 15 miles in about a minute. He pointed out that during this time an enemy vessel would have moved from its original position but all calculations and allowances were made for this.

He added that in spite of its weight and the force with which it is hurled through the air, a shell, after leaving the gun, is affected by weather, wind, moisture, and even the gravity of the earth in its flight, and that corrections to counteract this had also to be worked out.

OBSERVATION DUGOUT
The party then accompanied Colonel Burrows to the Battery Observation post, a dug out with reinforced walls and of great thickness. The building is bomb and shell proof and work is now in progress to make it gas proof.

A mechanical device, requiring eight men to work it, occupied the centre of a room. It is here that the important work of the battery is done. Calculations of speed of an enemy vessel are worked out here and of all other corrections necessary, and to the party was explained the different uses of the many "gadgets" on the intricate mechanism.

In another room was revealed the means by which it is possible to keep track of a target, by another device, though the target may be out of sight. A visit was then paid to the Depression Range Finding room where the general principles and uses of the different instruments were explained.

ENGINE ROOM!
Next came the guns, so designed and protected by iron plates that they looked more like an engine room. On the walls were meters for various purposes, jets of water for cooling and a wind blast system to blow away gases when the breech is opened after fire.

The working of the automatic shell and cartridge lifts were explained and demonstrated while the gun was elevated, depressed and traversed several times.

A series of three rounds over a distance of 10 miles was later fired, showing the length of recoil. There was general astonishment that so much technical elaboration was necessary for the efficient working of fortress artillery.

A visit was also paid to one of the completed and occupied barracks rooms where the visitors were the guests of Colonel Trent and refreshments were served.

REGISTRY WEDDING

At the Registry yesterday morning Mr. Ahmed Allan Khan, now-cameraman, formerly of No. 21,

HERR VON RIBBENTROP TO OPEN TALKS

LONDON, YESTERDAY.
IN CONNECTION WITH THE FORTHCOMING VISIT OF HERR JOACHIM VON RIBBENTROP TO LONDON, THE "EVENING STANDARD" LEARNS FROM WELL-INFORMED QUARTERS THAT HERR VON RIBBENTROP WILL TAKE THE OPPORTUNITY TO HAVE TALKS WITH LEADING BRITISH STATESMEN.

In his conversations, the paper says, he may leave no doubt that Germany needs neither credits nor any other aid.

At the same time, however, he would emphasise that the colonial question must be included in possible talks and that there would be no compromise for Germany in this field.—Trans-Ocean.

ANNUAL DINNER OF R.A.O.C. ASSOCIATION

The R.A.O.C. Association's first annual dinner was held in the Hotel Cecil last night.

The entrance hall was specially decorated while in the dining room, a huge badge of the association, beautifully designed and illuminated, surmounted the pillars behind the official dining table, while at the other end of the room, a large portrait of His Majesty King George VI was prominent.

The gathering assembled in the cocktail room on arrival, sitting down to dinner at 8 p.m. After dinner, the loyal toast and the toast of the Association were proposed by Colonel J. F. King and Lt. Colonel C. H. Geake, following which a smoking concert was held with an excellent programme. Artists who kindly gave their services included Messrs. Wiggins, Saunders, Chesterman, Owen, Bowles, Greenway, Jimmy and His Boys.

Among those present were:—Colonel J. F. King, Lt. Col. C. H. Geake, Major J. W. Gaisford, Major W. H. Postle, Capt. T. W. Davis, Capt. D. M. Larmour, Lieut. R. S. M. Edleston, and Lieut. G. Gillam.

VON PAPAN BIDS FAREWELL

Vienna, Yesterday.

President Miklas of Austria today received the recalled German Ambassador, Herr Franz von Papan, for a farewell audience.

Herr von Papan was also received by the Apostolic Nuncio as the doyen of the Diplomatic Corps in Vienna, who presented him with a costly token of esteem from the Diplomatic Corps.

Herr von Papan later left for a short holiday in the mountains before returning to Berlin.—Trans-Ocean.

Thorn Road, Shanghai, and Miss Finney Lee, of No. 33, Van Chong Street, Kwelin, Kwangsi, were married before the Deputy Registrar of Marriages, Mr. W. A. Jones. The witnesses were Miss Yoo Ping-Soo and Mr. A. C. Doreks.



Photo taken after the wedding on Wednesday of Miss Lulse Woo and Mr. Lam Wal-man. A largely attended reception was held at the H.K. Hotel. ("Herald" photo).

FURTHER POSTPONEMENT OF EXECUTION

The "Sunday Herald" learns that the execution of Chung Cheung, 22-year-old cabin boy, murderer of Captain Douglas Lorne Campbell aboard the Customs cruiser, Cheung Keng, on January 11, 1937, suspended for four months from October 14, 1937, has been further suspended, pending the hearing of his appeal to the Privy Council. No date has yet been fixed for the hearing by the Judicial Committee of the Privy Council.

LOCAL MAN'S WIFE IN R.A.F. DRAMA

An interesting fact in connection with the fatal crash of a Royal Air Force plane at Chaldon, near Dorchester, recently, is that the husband of a lady who ran a mile over rain-soaked downs to aid the airmen is the wife of naval auxiliary officer now serving in Hong Kong.

He is Mr. W. Waddington, of the R. F. A. Appleleaf, now in harbour, and his wife, a former Carnival Queen of Weymouth, was the first on the scene of the crash, where she was confronted by a scene of horror.

The bodies of both airmen were terribly mutilated, one of them being decapitated, and Mrs. Waddington arrived on the scene too late to be of any use.

Mrs. Waddington lives with her sister, with whom she runs a garage on the busy Weymouth-Dorchester main road, and has been called to dozens of road crashes.

TRAWLERS FOR GERMANY

Hamburg, Yesterday.
More than 200 steam trawlers are to be constructed within the next two years in order to strengthen the German deep sea fishing industry.

Germany will also enter fishing activities off Newfoundland, for which steam trawlers of at least 500 tons will be constructed.—Trans-Ocean.

POSTAGE STAMPS FOR MONEY

Barcelona, Yesterday.
The Ministry of Finance has issued a decree to the effect that all official stamps and postage stamps may be used as currency in order to relieve the shortage of coins.

To prevent stamps from becoming soiled and worn too quickly, small cardboard envelopes are being issued.—Trans-Ocean.

H.K. MYSTERY ECHO

Quest For Missing Frenchman

WIFE REFUSES TO BELIEVE HUSBAND DEAD

Although nearly six months have elapsed since the mysterious 3 a.m. disappearance in Hong Kong of M. Thollier, a prominent French resident of Shanghai, general secretary there to the French Trade Commissioner, further efforts have been initiated this week in an effort to discover his whereabouts, or his fate.

Madame Thollier, who was at Hue, Indo-China, when her husband disappeared, is now in France and has requested the French authorities in Hong Kong to make further attempts to trace her husband. She refuses to believe that he is dead.

Two theories have been advanced to explain M. Thollier's disappearance. One that he met with foul play. The other that he committed suicide.

An unconfirmed report hinted that after the departure of the French liner Felix Roussel, in which he should have continued his journey to Saigon, a note was found in M. Thollier's cabin suggestive of an intention of taking his own life.

NO TRACE.
Against that is the strange fact that no trace has ever been found.

It is known, however, that M. Thollier did not notify any of his friends in Hong Kong of his impending arrival, and that although the ship docked at 6 p.m. on September 1, he did not go ashore until 3 a.m. on September 2. He was never seen again.

There is a strong disposition by the authorities to believe that M. Thollier took his own life.

PREVIOUS CASE
It is recalled, in this connection, that a European resident of Hong Kong disappeared in much the same manner some years ago. His body was never found, but death was presumed following legal proceedings.

Japan Repudiates Desire To Provoke Soviet

TOKYO, YESTERDAY.

JAPAN HAS NO INTENTION OF PROVOKING THE SOVIET UNION, WHICH WILL "EVENTUALLY BE COMPELLED TO RECONSIDER ITS ATTITUDE TOWARDS JAPAN WITH AN UNDERSTANDING OF JAPAN'S TRUE PURPOSES," THE FOREIGN MINISTER, MR. KOKI HIROTA, DECLARED TO-DAY IN REPLY TO INTERPELLATIONS ON THE NATIONAL MOBILISATION BILL IN THE LOWER HOUSE.

The statement, supplementing one from General Sugiyama, the War Minister, followed pointed interpellations expounded by critics of the momentous measure.

The Bill was referred to the special committee of 45 members after a spirited debate before a packed House.

Special attention must be paid to Japan's relations with foreign countries in conducting protracted hostilities in China, Mr. Hirota declared.

He admitted that there is a series of problems pending between Japan and the Soviet Union, but said that the Japanese Government was endeavouring to "normalise" them.

The British Government "understood Japan's position pretty well since the outbreak of the China Incident, and was now apparently changing its attitude more favourably to Japan."

GRAVER CONTINGENCY

The present situation was grave, and therefore it was necessary to "prepare for a still graver contingency."

Answering interpellations, General Sugiyama said that the Mobilisation Bill was designed for a "graver emergency," and it had not been decided whether the Act would not be invoked in the present China Incident.

Reviewing national questions, the War Minister declared that the Bill did not contravene the constitution, as claimed by some critics, neither did the measure interfere with the supreme powers of the Emperor.

PRESS CONTROL

Opening the interpellations, Mr. Ikeda, member of the Minseitō Party, paid a tribute to the Government for expunging from the Bill the provisions for control of the press and free speech, but declared that "even now the press is controlled too much."

He pointed out that countries in which the press was controlled strictly, suffered during the World War.

These included Russia, Austria and Germany.

SUGARED POISON

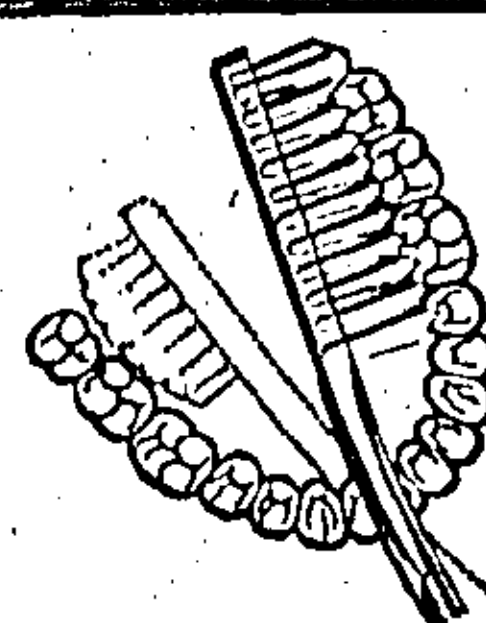
He raised the constitution issue also, and declared that the Bill, so to speak, contained

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PRIVATE FACES IN PUBLIC PLACES

Criticism Without
Tears

WE must pay the cost of the A.D.C. production, "French Without Tears," the compliment of judging their presentation of Terence Rattigan's London and New York hit by professional standards. The production is slick, nicely mounted, and well acted. Prus Neil as Diana Lake makes the most of the osculatory dalliance round which the diversion is written, and looks fetching in the bathing costume she wears in the first act, though the particular brand of filleted S. A. the type demands would fail to fetch us out of a snug bed for an early morning dip. That it was completely successful with Kit Neilan (we almost wrote Kate) played by Claude Burgess; L. Commander Rogers, a hearty piece of oak beautifully mocked by H. L. Duncan, and the Hon. Alan Howard, a budding diplomat who knows better, in the person of E. G. Smith-Wright, a polished player who times his lines perfectly, is merely a sign that we're growing old.

THESE three gentlemen who are staying at Professor Maingot's Riviera villa with a view to learning French in their country's interest, conjugate the verb to love to the exclusion of the other words in the dictionary. Diana flirts impartially with all three, and if you happen to be up from the country and unused to smart town talk, you might be pardoned for thinking the worst. Flavoured with Gallic bon-mots, one of which though over the heads of the Anglo-Saxon audience is unprintable even in French, the play skates over thin ice for two acts, during which Kit and the

Commander quarrel, discover Diana's duplicity and combine to forsake her for ever.

THE Hon. Alan Howard who up to this point has contented himself with a series of smoothly delivered cynicisms on the world in general and women and bitches in particular, feels himself slipping, and joins the popular front who resolve to confront Diana and ask her point blank whom she really wants. Diana picks the Honourable who realising the awfulness of teaming with a witless wanton, flees. That, the pursuit, the fulfillment of Jacqueline's (Professor Maingot's pretty daughter) hopeless passion for the by now cured Kit, and the final discomfiture of Diana who spurned by the field, hopefully awaits the arrival of Lord Heybrook, a new guest and potential victim, only to find that his Lordship is scarce breeched, comprises two and half hours of skilfully spun minor wit. Show's now over, Anti-Crabber.

THAT the audience lapped it up and rejoiced every two minutes, is a tribute to the cast who less skilful might easily have transformed agreeable nonsense into disagreeable rubbish. Unlike some London pros we could name, they were completely audible and on their toes all the time. Defects were mostly confined to minor characters; Peter Nicholson (Kenneth Lake) though perpetually worried by unwritten essays, must learn to do something with his body; A. H. Deleourt (Monsieur Maingot)

is prone to over-net which resulted in several lines being shouted and unintelligible; Sheila Mackinlay (Jacqueline Maingot) is a little too obvious, and everybody had too much muck up on. These little railings may sound carping, but as we pointed out in the beginning, intelligent acting demands finer criticism.

Scribes And Pharisees

OF late years, Dear Loobies, the Fourth Estate has so changed its complexion that to-day only the honest tang of printer's ink remains to distinguish the majority of newspaper offices from those of any other commercialised dishonesty. Looking back, we have a vivid memory of stumbling up crooked, grimy stairs, and ankle deep in ancient proofs and discarded blocks, standing before an enraged gnome while his nicotine-fingered drove home a series of unprintable remarks on writers who sacrificed principles for pelf. The Gnome, God rest his fiery soul, is long since dead; his shop an air-conditioned, chromium plated temple; his paper a vulgar, lying blah. Gone too, are the Gnome's impudent, bottle-loving henchmen whose inspired polemics and rumbustious thunderings in the cause of truth, never heeded the plaintive protests of the seely gentleman whose business it was to solicit advertisements from the basement below. All of which you may interpret as the squeak of a poor, little literary louse who bit the neck of an important person.

Reporter At Large

WE spent the last part of twenty minutes trying to think up a caption to fit Lady Hay Drummond-Hay; during which period we refused an indignant wife's abdication, declined a trembling amah's resignation, and consigned to the nethermost depths of the waste paper basket such phrases as, Political Sister, Talented Celebrity, and Socialite Sobbie. Lady Hay Drummond-Hay, hereinafter Drummond-Hay (partly because we don't get paid for wordage and partly because it suits her personality) is far too workman-like a person to fit any of the epithets reserved for female journalists with a handle to their name.

SVELTE, dark, firm-chinned, and the owner of the loveliest brown eyes we ever saw in mortal's face, Drummond-Hay knows everybody worth knowing and at one time or another has

interviewed most of the figures who are making history hell for future Brown Majors and Smith Minors. Widow of a diplomat who was deeply interested in

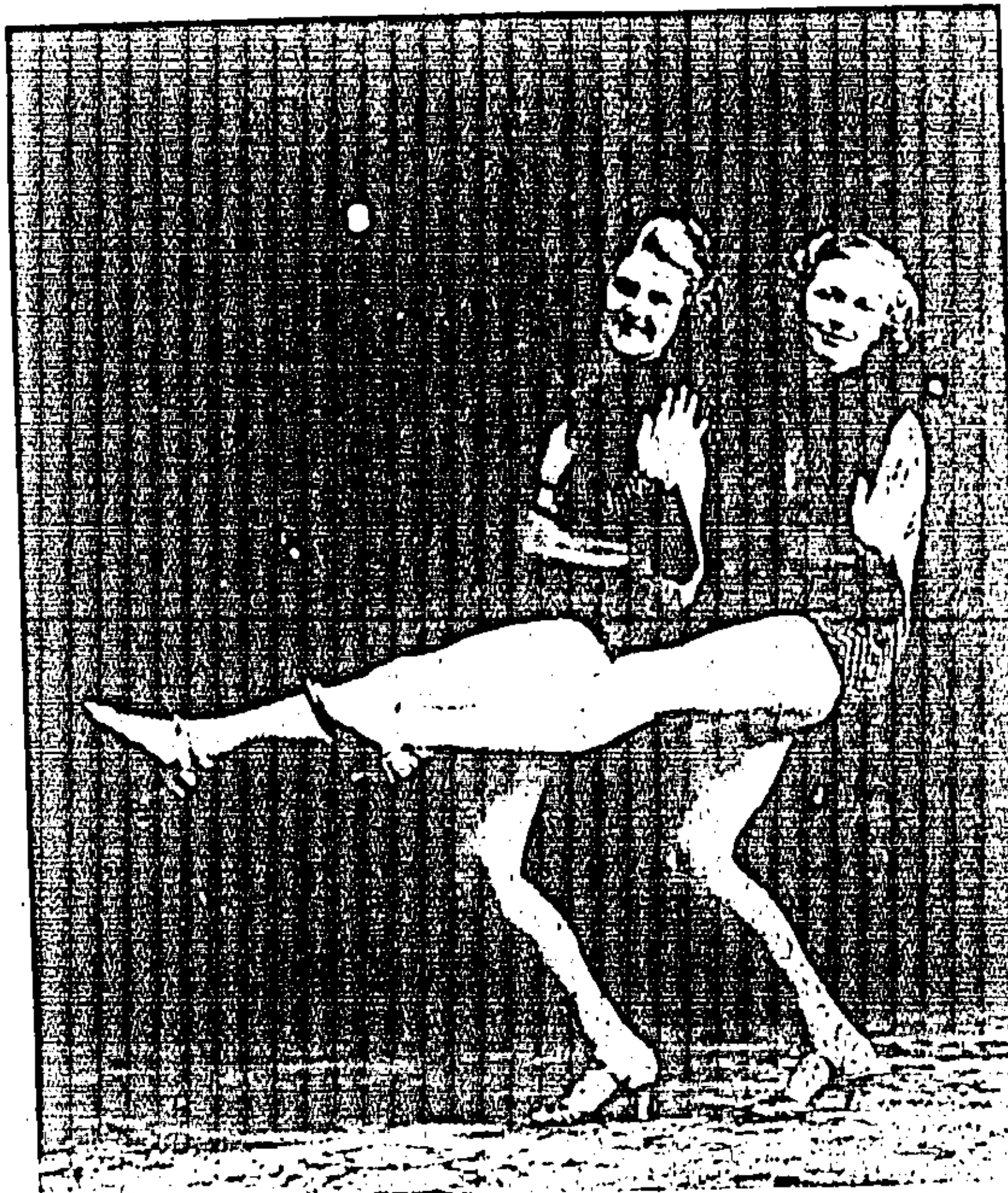
ed everything from grand poodle-fakes to rebellion and desert war, and met everybody from Hitler to Bernard Shaw. An aviatrix of international re-

his job and who in retirement still kept in touch; as a young wife she had unrivalled opportunities of acquiring the political background without which only American journalists manage to cover the international field. That she took advantage of her circumstances to imbibe that knowledge is at once a tribute to her intelligence and her individuality. Pretty young wives of diplomats or any other brand of husband for that matter, usually dodge their husband's political or business associates, or if officially compelled to stay put and listen to bald heads with bats in the belfry, do so with charming smiles and sealed ears. Drummond-Hay preferred politics to bridge, and the earnest discourse of statesmen to idle nothings from good looking Aides.

LIVING in Egypt, where her husband had retired for the sake of his health, she met all the leading men of that country, became a personal friend of the late King Fuad, and was present in the inner chamber, together with a swarm of adventurers, and political wirepullers, at the conception of Egyptian Independence, the achievement of which is a matter of recent history. When Zaghlul Pasha was en-route to London to present Egyptian demands, Drum-



Harry Ore and some friends snapped during a climb on Buffalo Hill. Among the group is Susan Ma, the well-known violinist.



The Ritz Sisters, latest acquisition of the Gloucester in their sequence of floor shows.

mond-Hay, a little bored with overmuch listening, marched boldly into the august presence of Mr. Garvin, Editor of the Observer, succinctly told him she was persona grata with that stormy petrel, and delicately hinted that it might be a good idea if she wrote a little piece for the paper. Whereupon Jove smiled and agreed that it might be a very good idea, and would she go away and write the little piece. Which she promptly did after visiting the "News of the World" and sundry other offices and obtaining like approval.

ALL of which, if you know anything of the barriers that protect the deities of the newspaper world from the hordes of would be journalists, fruit juice drinkers, nudists, sandal-wearers, sex-maniacs, nature-lovers, pacifists, feminists, ecocon-drunkards, and passionate females with purple pants for publication, is going some.

LATER, when the Sirdar, Sir Lee Stack, lay mortally wounded by an assassin's bullet, Drummond-Hay by now an Egyptian Expert, covered the tragedy for the "Express." She had an acute enough sense of news values to realise that there was a first class story in the minor tragedy of the Sirdar's badly wounded chauffeur and wired it home, scooping the field. Since those days, she has cover-

finds time to plant crocus bulbs in her window box garden at her Hampstead flat.

NONE of these achievements have been allowed to superimpose themselves on the Drummond-Hay personality. Discussing the ramifications of Far East politics with her, we felt that she would display the same alert interest in hats or infant welfare, and that though she is a busy woman, an occasional dance or party is not amiss. This catholicity coupled with a keen sense of humour, a zest for life, and a balanced judgment are the qualities that go to make a star reporter, a title which, we imagine, she is prouder of than Debreit's more conventional reference.

The Egoist

"SURE I'm a sport; I played football in Devonshire (He pronounced 'shire' as though it was a separate word), but if a guy's on base, he's on base, too?" We considered the logic and the rippling muscles outlined beneath his cheap cotton shirt. "No doubt about it," we said, amiably. His wide, turned up mouth split in a grin. "I'm drunk," he said, confidentially. "Not finally. Have a drink?" He waved our invitation away with a spatulate, nail bitten hand. "A guy can't even get

PERSONALIA



Mr. F. P. Anslow, of the Government Medical Department, accompanied by Mrs. Anslow and their daughter, left in the Carthage for home on vacation.

Among the many local residents who left for home in the Carthage were Mr. and Mrs. W. R. K. Collings, Mr. Collings is connected with Messrs. Butterfield and Swire.

Mr. Wm. C. Tillery, of the Hong Kong and Whampoa Dock Co., accompanied by Mrs. Tillery, left for home recently on vacation.

Capt. H. C. Phillips, R.N., of H.M.S. Suffolk, left in the Carthage.

The Hon. Mr. N. L. Smith resumed duty as Colonial Secretary on Thursday morning on his return to the Colony from Singapore, where he represented Hong Kong at the formal opening of the Naval Base.

Lady Drummond-Hay, internationally known journalist, left in the Empress of Asia for the United Kingdom.

Mr. A. Brearley, recently retired manager of the Chartered Bank, and Mrs. Margaret Henderson McMurray, widow of David McMurray, for many years connected with the Colony, were married recently in Scotland.

Mr. D. F. Kilby, who is connected with Nestle's Milk Products (China), Ltd., left for home in the Carthage.

The Italian Ambassador to China, His Excellency Signor Guillianio Cora, left for Shanghai in the Conte Verde after a brief holiday in Hong Kong.

Mr. H. G. Wallington, of the Government Education Department and former Headmaster of the Yauwattai Government School, left on furlough in the Carthage.

Friends of Mr. D. R. Ryde, of the Union Insurance Company, will be pleased to learn that he is making very satisfactory progress from the effects of his serious accident of some three months ago and has now reached the convalescent stage.

Mrs. Eunice Arnold is returning to Hong Kong on the "Talbot" on Friday next.

Instance," we said, thoughtfully. He snorted: "I've been all over and done most everything. I got to marry a girl with savvy, see? A girl that's been places; Kobe, Porto Rico, Havana, Jo'burg, Hong Kong, Devonshire—like me. You ain't old enough to have a kid like that?" "Good Lord, no!" we replied hastily rising.

GRANDMA'S ADVICE *shows young appetites*

MOTHER, I CAN'T GET THE CHILDREN TO EAT ENOUGH SALADS... AND THEY'RE SO GOOD FOR THEM, TOO.

MY DEAR, YOU JUST MAKE YOUR NEXT SALAD LOOK ATTRACTIVE, AND THEN SEE HOW EAGER THEY'LL BE FOR IT.

HERE... I'LL GIVE YOU ONE OF MY FAVOURITE RECIPES. I'M SURE THEY'LL LIKE THIS ONE.

WHY OF COURSE, WITH BRIGHT COLOURED JELLO-O. IT SOUNDS DELICIOUS.

OH, MOTHER, I WANT SOME MORE OF THE PRETTY SALAD! IT TASTES SO GOOD!

...AND HERE'S THE RECIPE

SUPPER SALAD RING

1 pkg. Jello-O 1 1/2 teaspoon salt 1 cup hot water 1 cup cold water 1 cup grapefruit juice and water

Dissove Jello-O in hot water. Sprinkle salt over grapefruit; drain thoroughly; add water to juice to make 1 cup, and add to Jello-O. Chill. When slightly thickened, fold in grapefruit. Turn into ring mold; chill until firm. Unmold. Garnish with celery leaves. Fill center with tuna fish salad. Serve with mayonnaise. Serves 6.

6 DELICIOUS FLAVOURS

JELLO-O

NO RIND NO WASTE

MAXAM CHEESE

Product of Australia

FINEST QUALITY PASTEURISED CHEDDAR.

In 5 lb. BLOCKS, also in 8 oz. & 4 oz. CARTONS.

Obtainable from All Leading Stores

DANBY & HANCE, Alexandra Bldg. SOLE AGENTS.



Paddy Pascoe who will appear at George Goncharoff's ballet display at the King's Theatre on March 10.

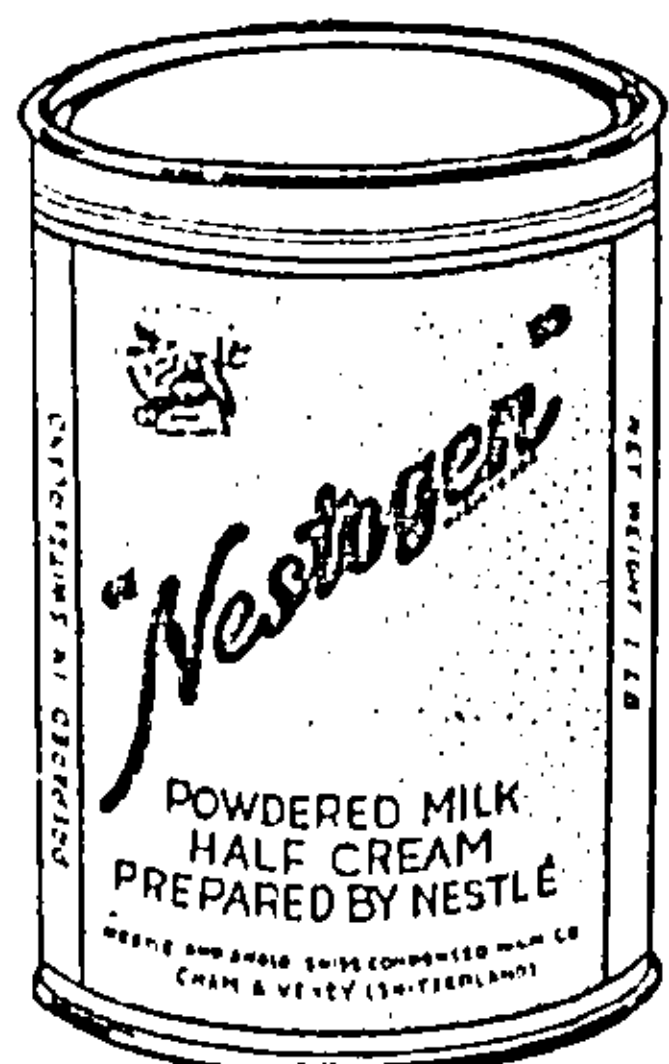
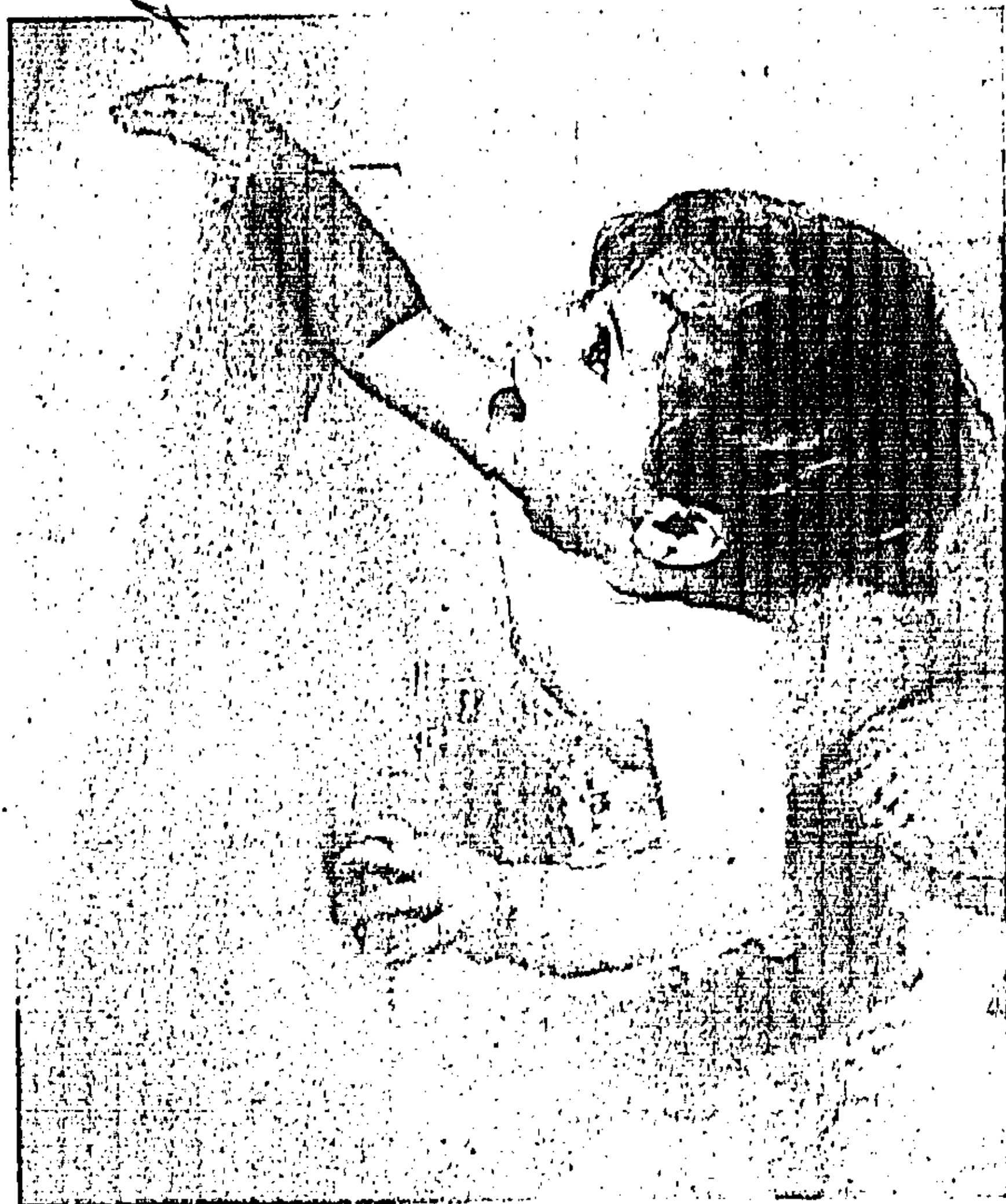
LITTLE NOTES of Great Importance

Here's some thrilling news for women over 30 years! Use Colonial Dames' all-purpose cream for cleansing the skin, then apply their salon cream regularly for two weeks, and you will be delighted with the amazing results. You will thereby restore the vital freshness and beauty of youth. A. S. WATSON & CO., LTD., are the agents for all Colonial Dames' preparations, so you may be assured of always getting them.

LANE, CRAWFORD'S Ladies' Salon have just received a new shipment of the latest corsets, which make every figure look so smart and slim and which are made by such well-known firms as Gossard, Scandale and Charmaux Special. They also have a great number of corsets in elastic with lace of the same colour. Their special line of solid rubber reducing corsets are perforated, which makes them nice and cool. They also have brassieres in uplift, lace, net and voile to fit all sizes.

For repairs and spare parts for your radio, you could not do better than go to the VICTORIA RADIO SHOPPE in Peking Road. They are the oldest established radio firm in Kowloon, but they use only the most modern appliances, while they employ expert technicians under European supervision. They use only R.C.A. spare parts for their repairs, and if your radio runs on batteries they can charge them very quickly and efficiently.

CONTENTMENT.



In cases where babies have difficulty in digesting their food, Nestogen Half Cream is indicated. Nestogen Half Cream is prepared by instantaneous desiccation of fresh milk from which a part of the cream has been removed and a mixture of lactose, (milk sugar) sucrose, and dextrin-maltose added in approved proportions. For normal infants over three months old Nestogen Full Cream Milk Food is recommended.

For large sample send 15 cents to Nestle's Milk Products (China) Ltd. 5 Des Voeux Rd., C., Hong Kong.

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NEW ZEALAND DAIRY BUTTER

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H. N. BRAILSFORD Reveals The Inferences Behind The CRISIS In Europe

HITLER'S "Purge" did not finish on February 4. On February 10 ruthlessness broke over every garrison town in Germany.

After the soldiers, the snail struck the big capitalists who had conspired with them. It fell, too, on what is left of the German Labour Movement.

While the Black Guards made their arrests, the frontiers were sealed by the police, lest any fugitives should escape.

So much we all know; but what was the motive for this "Purge?"

French criminal law has a procedure that occasionally gives good results. The Magistrate, with the aid of experts, "reconstitutes the crime." I propose to apply this method to the German Purge.

Why, on Tuesday, February 1, did Hitler cause General von Fritsch to be arrested? One does not arrest the head of one's army merely because he ran past the traffic lights, or forgot to renew his dog licence. What, then, had the general done?

The explanations offered in the daily Press are interesting, but unsatisfying. At first we were told that von Fritsch had voiced the annoyance of the Prussian officer caste, because the War Minister, Marshal von Blomberg married "beneath him."

It may be so, but does one arrest the head of a great army because of a suggestion that he may be a snob?

A few days later the story ran that General von Fritsch was out of sympathy with Nazi foreign policy. He could feel no enthusiasm for the Rome-Berlin axis, because he thought poorly of the Italian army. He disliked the triple alliance against Communism (meaning the Soviet Union) because he thought well of the Red Army.

Now this lack of sympathy might be a good reason for sacking him. To arrest a soldier whom tens of thousands of officers respect as their chief, is a risky action.

Besides, there was nothing new in von Fritsch's attitude. It had been common knowledge for a year or more.

MONARCHIST PLOT

Is this a clue? On this same Tuesday, according to the "Daily Telegraph," the General expected the British and French ambassadors to dinner. His arrest prevented a pleasant social gathering.

Was that all? Rumour said so loudly that the general was arrested for treasonable dealings with the French, that M. Daladier, French Minister of War, had to deny his supposed share in these dealings.

But another, no less remarkable explanation found its way into print. The "Temps," the nearest French counterpart to the "Times," stated with full details that von Fritsch was arrested because he was plotting to restore the Hohenzollern dynasty. The new Kaiser was to be the second son of the ex-Crown Prince.

"A wild story," one reflected, "from a staid and sober source." But on the Thursday morning came the curious news that the Crown Prince had arrived in Italy without a passport.

Why this hasty journey? Was it a more coincidence that he left Berlin without a passport when the news got out that von Fritsch had been arrested?

FRITSCH A REBEL

Two such coincidences associated with a general's arrest are a large allowance. Besides, it was not only von Fritsch who was sacked. Fourteen generals fell with him, and many senior officers also. That looks like a plot.

So I will guess, and "reconstitute the crime." Von Fritsch really was a rebel, who meant to upset the dictatorship. He intended to restore the fallen dynasty, and believed that the

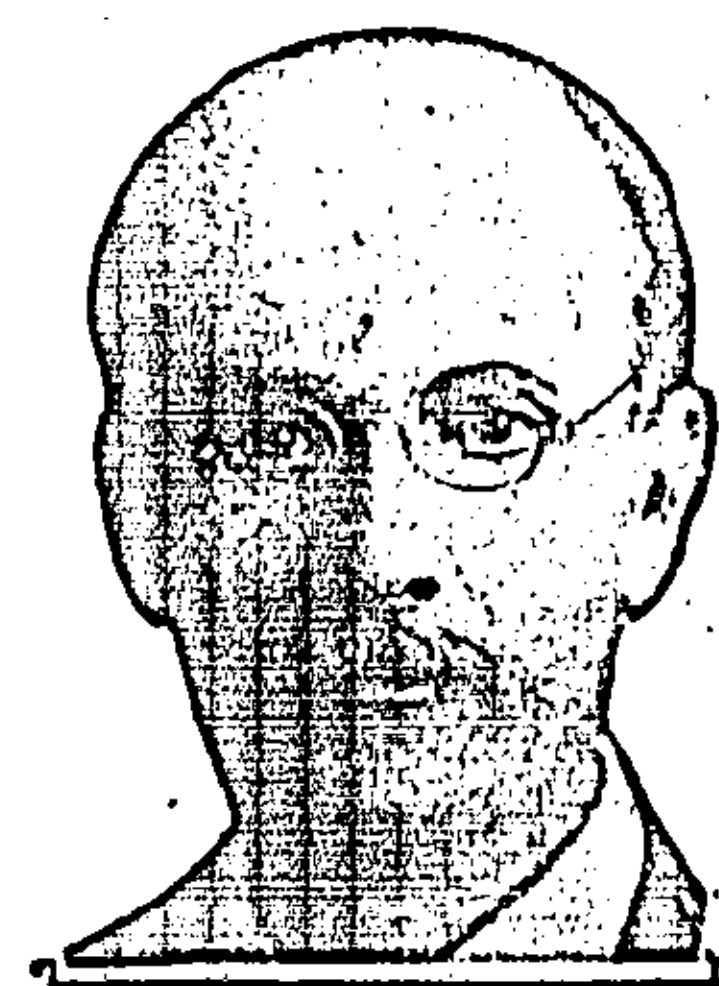
support—probably the financial support—of the British and French Governments would be useful. In return, he doubtless would have signed any pacts required from him.

It was the British rather than the French who wanted to see a King in Prussia again. It is significant in this connection that the American Press recently published a cordial and familiar birthday greeting, the first since the Great War, sent by the British royal family to the old Kaiser at Doorn.

In short, there was a royalist conspiracy in the German Army, which had the backing of the big industrialists. Had it the support of British diplomacy and the Court? That aspect of the affair will, of course, be suppressed in every capitalist newspaper.

RIBBENTROP'S PLAN

The rest of the story that I propose to "reconstitute" happened in London. The reader will remember that two days after the fall of the generals, Hitler made von Rib-



PROF. GILBERT MURRAY

bentrop his Foreign Minister.

There is no doubt about his loyalty to the Rome-Berlin axis and the triple pact against Russia; of the latter he was the author. From him the Foreign Office knew what to expect. He would never follow von Fritsch by making an exclusive deal with London and Paris.

What Claud Cockburn has revealed in his brilliant little paper, "The Week," is probably accurate.

Von Ribbentrop demanded from London not merely a loan, but the entry of Great Britain into the triple alliance with Germany, Italy and Japan, against Russia.

That is not in line with the present policy of Downing Street. Professor Gilbert Murray has published the fact that the British Government recently made a startling statement to the American Government. It offered to follow any American initiative for action to restrain Japan, no matter what degree of risk is involved.

I believe that statement to be accurate. From a good source I can add to it on my own account another even more surprising.

On behalf of the British Government, this question was recently addressed to the Soviet Union:

In the event of Anglo-American action against Japan, would it be willing to attack the Japanese in China with its Army?

The Russians replied by asking another question:

In that event, would Great Britain guarantee their Western Frontier?

The answer was—silence, which silence, which means a negative.

FRIENDS WITH ITALY

My story now returns to Europe. It was in the mind of the Government that it may be involved in "action" (meaning naval doings) against Japan. What was under consideration was a long-distance

naval blockade.

Meanwhile, what would happen on the Continent? Von Fritsch, if his plot had succeeded, would have kept Germany friendly and quiet; but he had just been arrested on the eve of his dinner party.

Well, then, if Germany could not be reconciled, the "axis" must be broken at the other end—in Rome. Italy must be brought out of her alliance with Berlin.

The Government acted promptly on this inspiration. Instantly, after Hitler's Purge, the whole inspired and censored Capitalist Press began to tell us that Mussolini had had a change of heart, that he would withdraw his troops from Spain, and conclude yet another "Gentleman's Agreement" with Britain.

There were frequent talks with Count Grandi, and the whole disciplined Press fell, rather clumsily, on the Duce's neck.

Possibly Mussolini will withdraw his infantry; but the Italian and German technical troops will remain.

France has all the bombing planes he wants, and, in addition, Britain will give him formal "recognition," carrying with it the right to enforce a legal blockade.

If that does not destroy the Republic, the next step may be British mediation. Given the Tory attitude toward the Republic and the new cordiality to Mussolini, one can predict without risk what that will mean.

It will aim at creating a conservative-capitalist regime in Spain, which Italy will then exploit, together with Abyssinia, with the aid of a British loan. The City will become a sleeping partner in the Roman Empire.

SPAIN WILL PAY

I have now "reconstructed the crime" to the best of my ability. Von Fritsch acted as a Prussian Junker who had never abandoned his loyalty to the old monarchy.

He did not act alone. His plot was a detail that fitted into a world-wide pattern. If it had succeeded, it would have made it easier for the British and American navies to restrain Japan.

It failed, and instantly the Government revised its plans. To-day, not Germany but Italy is the friend with whom it will cooperate. Yesterday it was prepared to back the Monarchist reaction in Berlin. To-day, it dreams of using its money to buttress Fascism in Rome.

Spain will pay for this reconciliation. It adopts these dodges because it will not pay the price of a common front with Russia and France—a guarantee of Russia's security in Europe.

I repeat, then, the warning I gave at Christmas. No Socialist ought to back this Government, even if, for commercial and strategic reasons, it seems to be turning against Japan.

It will betray Europe to save its investments in Shanghai.

MAD WITH STOMACH PAIN

It doesn't matter how long-standing your stomach trouble may be—it doesn't matter how bad your pain is—Maclean Brand Stomach Powder will almost certainly ease it away—and its cause as well.

Take the case of Mr. J. R. Ever since he left the Army after the Great War he suffered from gastric trouble. He had all his teeth out, but got no relief. He tried one cheap remedy after another, but the trouble remained.

Read his own words:—
"I was mad with pain; no one knows how awful I felt. I decided to get Maclean Brand Stomach Powder. Well, I took a teaspoonful and a half and was absolutely surprised how the pain faded away. It's wonderful."

This is only one example among thousands of the quick, lasting relief from stomach pain that comes after taking MACLEAN BRAND Stomach Powder. Why not try this famous remedy for your stomach trouble? You won't have to endure stomach pain much longer if you do! But make sure you see the signature "ALEX. C. MACLEAN" on the bottle and carton—that is your safeguard against disappointment. Genuine Maclean Brand Stomach Powder is sold only in bottles in cartons. Never sold loose. Powder or Tablets.

If you have any difficulty in obtaining it from your local chemist or store, write to Banker & Co., P.O. Box 536, Hong Kong.

QUICK RECOVERY AFTER ILLNESS

Very often a period of convalescence is much more critical than the actual illness that preceded it. Your whole body is left in a state of complete exhaustion. You have no strength to combat any renewed attacks.

Doctors and nurses realize the importance of a speedy recovery after illness. In Horlicks they have found a highly nourishing food that can be easily digested when all other foods cause nausea.

Horlicks rebuilds your exhausted body. Convalescence is shortened. You feel full of vigour and vitality. Always keep Horlicks handy at hand.

In these difficult times of anxiety and worry, the task of carrying on and doing work which must be done is a doubly difficult one which must tend to exhaust one's nervous energy.

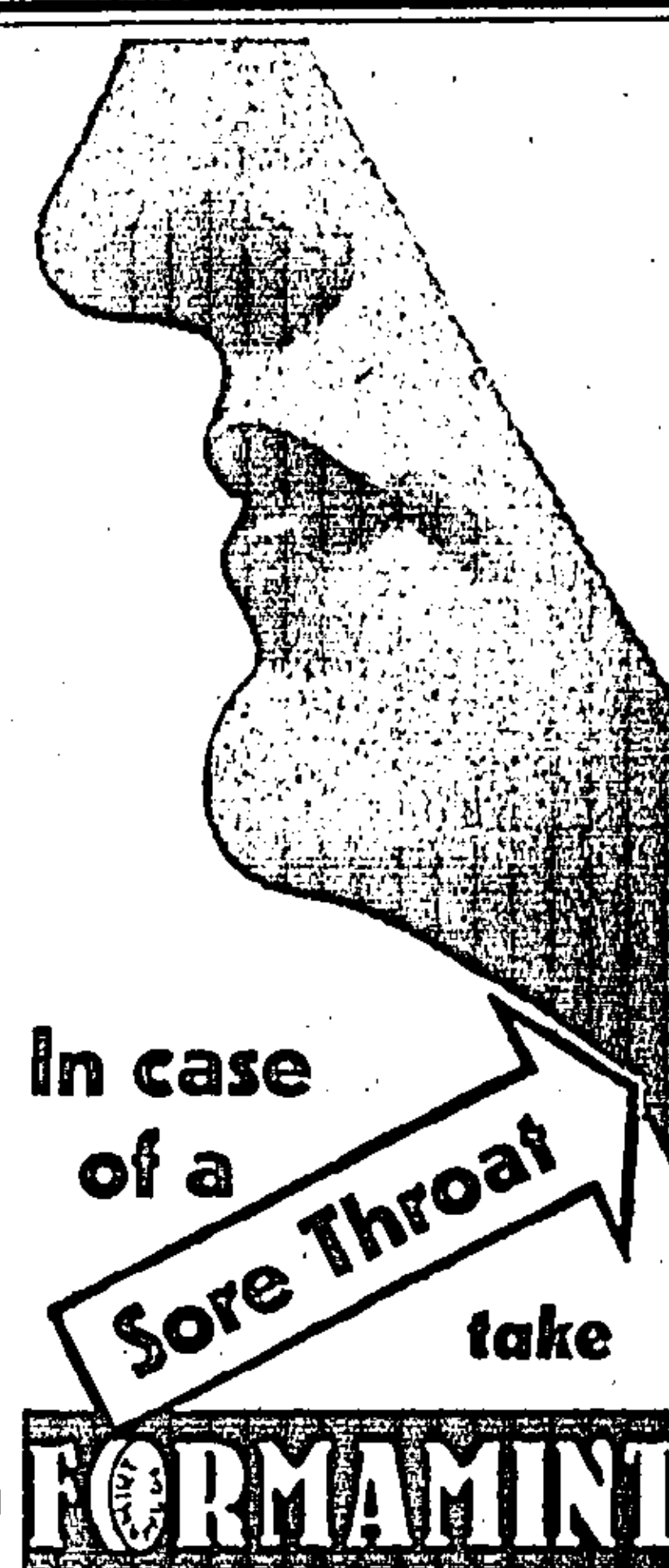
Horlicks builds up strength, vitality and prevents that listlessness and tiredness caused by constant nervous strain. H. M. Hodges, Kewmally Building, Queen's Road, Hong Kong.



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PORE-DEEP CLEANSER
6 OZ. BOTTLE—
ENOUGH FOR 50
CLEANSINGS

Obtainable at all leading stores and dispensaries.



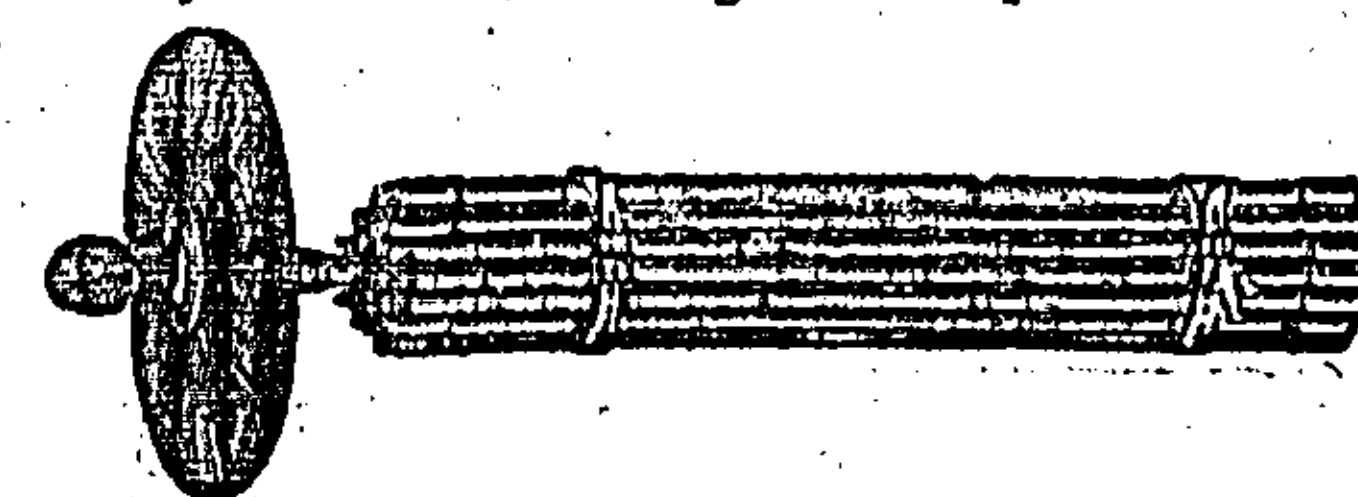
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WITH PROPER APPLIANCES, BY SPECIALLY TRAINED MEN.

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TELEPHONE 20269.

C. E. WARREN & CO., LTD.
St. George's Building.



You intend going to the rendez-vous with that cough?

Do you think you will be pleasant company with your hoarseness and constant fits of coughing? You would have been rid of this cold long ago if you had only bought a bottle of Tussamag. Tussamag is the highly effective, harmless cough remedy with a pleasant taste and odour. It would also have helped you in good time.

OBTAINABLE AT ALL DRUGGISTS AND STORES. Sole Agents for SOUTH CHINA and HONG KONG: BELCHERS & CO.

Tussamag

SCRUBB'S

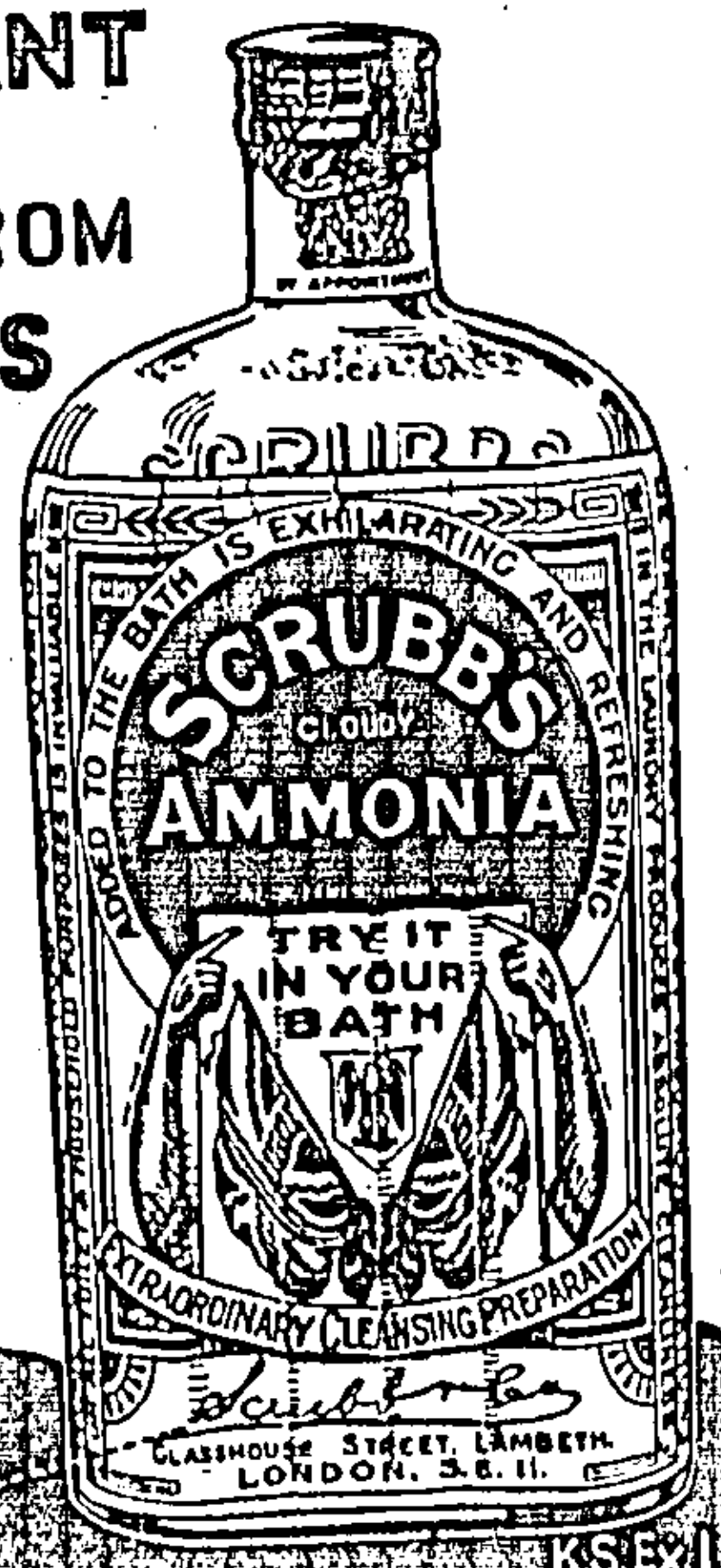
GIVES INSTANT RELIEF FROM INSECT BITES

Just dab the affected part with undiluted Scrubbs. Pain and irritation disappear instantly — because Scrubbs neutralises the poison and cools the inflamed tissue. Scrubbs acts as an astringent, purifies the wound and keeps out infection.

PRICKLY HEAT AND PERSPIRATION.

Use Scrubbs in your bathing water every day — you'll be astonished at the wonderful feeling of freshness and invigoration that ensues. It will relieve prickly heat and remove all odour of perspiration, thus ensuring that personal fragrance so essential to your well-being.

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EVERY DROP AGED At Least 12 YEARS IN SCOTLAND



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WHAT ITALY ASKS OF BRITAIN

Abandonment Of Plans For Cyprus Fortification

REDUCTION OF NAVAL FORCES IN MEDITERRANEAN

Rome, Yesterday. INDICATIONS of the demands which Italy will make of England in the forthcoming Anglo-Italian negotiations, are given in "Giornale d'Italia," the semi-official newspaper. In addition to British recognition of Italian sovereignty over Abyssinia, Italy, the paper declares, will demand reduction of British naval forces in the Mediterranean.

Abandonment of the plans for fortifying the island of Cyprus, and Italian representation on the administrative council of the Suez Canal Company.

Taking cognisance of the probable British demands, the paper surmises that Italy will be requested to reduce the size of her garrisons in Libya, and

To give certain assurances regarding the source of the Nile.

SPANISH ISSUE

No mention is made of the Spanish question, political circles in Rome being of the opinion that this question will be left to the non-intervention committee and will play only a very minor role in the Anglo-Italian talks. — Trans-Ocean.

FLYINGBOATS FOR N.E.I. DEFENCES

Amsterdam, Yesterday.

The Netherlands Defence Ministry has ordered 18 Dornier flying-boats.

The machines will be built in the Netherlands under patent license and are intended as scouting machines and bombers.

The type was specially evolved by the Dornier Works to meet Netherlands East Indies needs.

Altogether 24 more machines of the same type have been ordered from the Dornier Works at Friedrichshafen, of which four have already been delivered. — Trans-Ocean.

MR. HOOVER'S EUROPEAN TOUR

Paris, Yesterday.

Mr. Herbert Hoover, ex-President of the United States, yesterday received an honorary doctor's degree from the University of Lille.

At a reception held in the Town Hall, the mayor of Lille recalled Mr. Hoover's activities in northern France as Food Commissioner during the Great War.

Before leaving Brussels for Lille earlier in the day, Mr. Hoover thanked the Belgian nation in a special message for their generous hospitality. — Trans-Ocean.

IN PARIS

Paris, Yesterday.

The ex-President of the United States, Mr. Herbert Hoover, arrived here yesterday from Lille.

To-day he will be the guest of President Albert Lebrun. — Trans-Ocean.

PRINCE BERNHARD ON UNOFFICIAL VISIT TO LONDON

London, Yesterday.

Prince Bernhard of the Netherlands will visit London in the middle of March with his brother, and will spend several weeks in the country, says the "Daily Telegraph."

Since the visit is not an official one, Prince Bernhard will not stay at Buckingham Palace but will take a private residence. — Trans-Ocean.

Spanish Government Conference On Fall Of Teruel

Barcelona, Yesterday.

A COUNCIL of ministers was held here yesterday under the chairmanship of President Azana to consider the military situation following the recapture of Teruel by the insurgents.

ARCHDUKE OTTO II. PARIS

Paris, Yesterday. Archduke Otto of Hapsburg and his mother, ex-Empress Zita, arrived in Paris from Brussels yesterday.

It was reported later that ex-Empress Zita had already returned to Brussels. — Trans-Ocean.

SOVIET BORDER INCIDENT CHARGES

Tokyo, Yesterday.

Total number of Soviet infractions of the frontiers of Manchukuo, was 170 up to date of compilation of an official statement just issued in Hsinking by the Manchukuo authorities.

The statement says that in many cases cited, violation of the frontier did not consist merely of crossing the border without permission but also of attacks on Manchukuo frontier patrols and violent abuse of Manchurian subjects.

In certain instances, Russian military planes crossed the Manchurian border camouflaged as postal aeroplanes. — Trans-Ocean.

ANOTHER SCHACHT RESIGNATION RUMOUR

Berlin, Yesterday.

Another denial of the impending resignation of Dr. Hjalmar Schacht, President of the Reichsbank, has been issued in Berlin.

It was stated that at the forthcoming annual meeting of shareholders of the Reichsbank, the only business of the meeting will be election of new members of the committee to replace those who have resigned during the past year. — Trans-Ocean.

FRANCO-ITALIAN TRADE TALKS

Paris, Yesterday.

A French trade delegation, under the leadership of M. Alphonse, of the Ministry of Trade, will leave for Rome on March 4.

They will begin negotiations for conclusion of a new Franco-Italian trade agreement. — Trans-Ocean.

JAPAN ALLEGES SOVIET MAIL SNOOPING

Tokyo, Yesterday.

The Japanese public has been warned by the police, on instructions of the Home Ministry, against sending important letters to Europe via Siberia. The warning states "there is reason to believe that all letters sent by this route are opened in Soviet Russia." — Trans-Ocean.

COAL SHARES RISE

London, Yesterday.

Prospects of an early understanding with Italy have resulted in a considerable increase in the value of South Wales coal shares on the Cardiff exchange, writes the "Daily Telegraph."

About 60 per cent. of South Wales coal is exported and Italy is one of the biggest purchasers. Although coal exports to Italy at present are greater than when Sanctions were being imposed on Italy, they have by no means reached the level of previous years. — Trans-Ocean.

AUSTRALIA DEFENCE PROGRAMME

SYDNEY, YESTERDAY.

THE AUSTRALIAN DEFENCE COMMITTEE, APPOINTED AFTER LAST YEAR'S IMPERIAL CONFERENCE IN LONDON, HAS NOW COMPLETED ITS WORK AND WILL SHORTLY ISSUE A REPORT.

It is believed that the Report will recommend development of coastal defence.

Modernisation of the Australian army, and Building up of the Australian armaments industry.

This programme will entail large increases in expenditure. — Trans-Ocean.

GERMAN REPLY TO LORD PLYMOUTH

London, Yesterday.

The German charge d'affaires has sent to Lord Plymouth, non-intervention committee chairman, the German reply to the British proposal regard certain difficulties which had arisen in connection with withdrawal of volunteers from Spain.

The German reply is believed to be favourable. — Trans-Ocean.

GRANDI TO BE REPLACED?

London, Yesterday.

The Italian Ambassador in London, Count Dino Grandi, will be replaced shortly, says the diplomatic correspondent of the "Daily Telegraph."

The correspondent says that Count Grandi will probably return to Rome as soon as he has fulfilled his present task, namely, to bring about an Anglo-Italian rapprochement. — Trans-Ocean.

Findlater's



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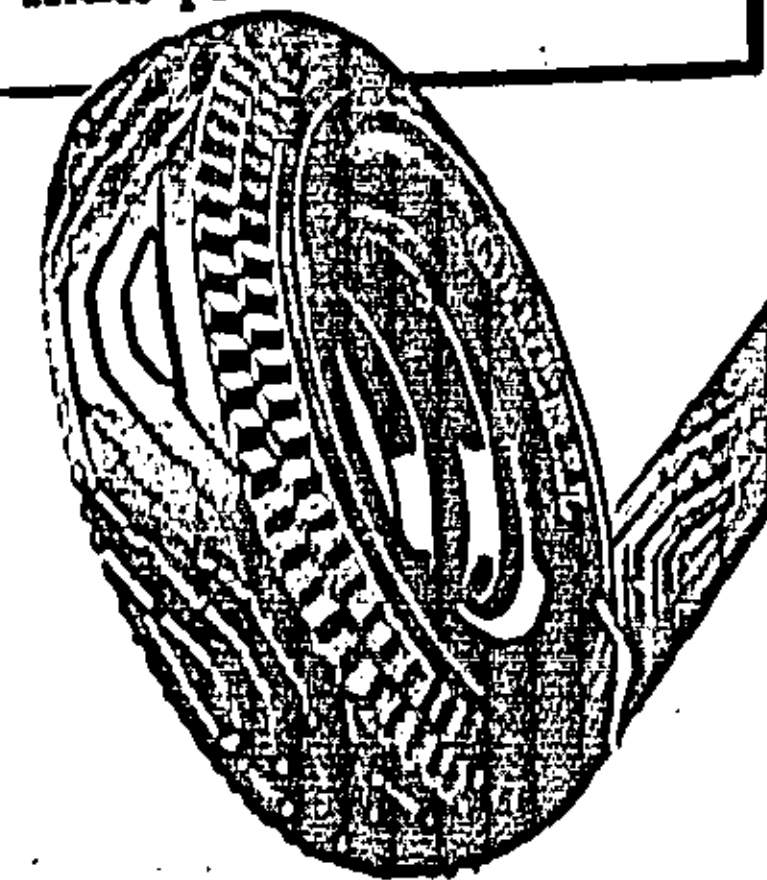


When Sherry is drunk in the world's finest Clubs, Hotels and Restaurants, Findlater's is ordered, for connoisseurs know and appreciate its quality and flavour. Since 1823, Findlater's have been blending from their own selected reserves, the finest sherrys.

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The GREAT Betrayal

Arms Profits Secrets Revealed

IPSWICH by-election has recalled a story which the Cabinet would dearly love to forget. It is the story of an offer to make shells at cost price, and the pitiable attempt of the Government to explain away their refusal to accept a course which might interfere with the profits of the armament manufacturers.

Mr. R. R. Stokes, the man who made the offer, fought Ipswich for Labour. His victory will ensure that Ipswich goes down to history as the by-election which laid bare in all its ugliness a scandal of the private manufacture of arms.

Here, as Mr. Stokes told them to me, are the inside details of an episode which, in the sorry record of the Conservative Government, will rank with Lord Londonderry's boast that he succeeded in preventing the abolition of bombing from the air.

In the early summer of 1936, Ransomes Rapier, manufacturing engineers, of London and Ipswich, were asked by the War Office to manufacture shells. Mr. Duff Cooper, then Minister for War, explained that many firms not normally engaged in this class of work were being asked to co-operate in the rearmament programme, and that the necessary plant would be supplied by the War Office.

Mr. Stokes, managing director of the firm, agreed to undertake the work, but pointed out that his firm did not wish to take advantage of a national emergency, and was prepared to carry out the contract on a no-profit basis.

In October, a tender for 150,000 shells was submitted. An official of the Technical Branch of Industrial Planning, acting on behalf of the Director of Army Contracts, told Mr. Stokes, at a personal interview, that the offer of 17s. 11d. a shell was a very favourable one, and, provided the cost of the building was included in his price, the contract would follow. This was agreed to.

Eight days after the interview the War Department notified Mr. Stokes that it did not propose to proceed any further with negotiations.

No reason was given in this letter, but a month later Mr. Stokes was advised that Ipswich was considered to be in a vulnerable position on the East Coast. At that very time a large contract for bombs had just been placed with a firm in London!

Mr. Stokes tried, by further correspondence with the War Office, to obtain a satisfactory explanation. He failed. Then he sent the story to the "Times," but that newspaper did not publish it. It was, however, published by the "Manchester Guardian" on March 10, 1937, five months after the negotiations closed. The latter suggested that as, in the next war, young men would be called upon to risk their lives for a purely

nominal monetary reward, the same principle might well be applied to the arms manufacturer. He explained how his own firm tried to put this principle into effect.

The scene shifts to the House of Commons. Sir Victor Warrender, Financial Secretary to the War Office, gave the first explanation on behalf of the Government. He declared that the tender had

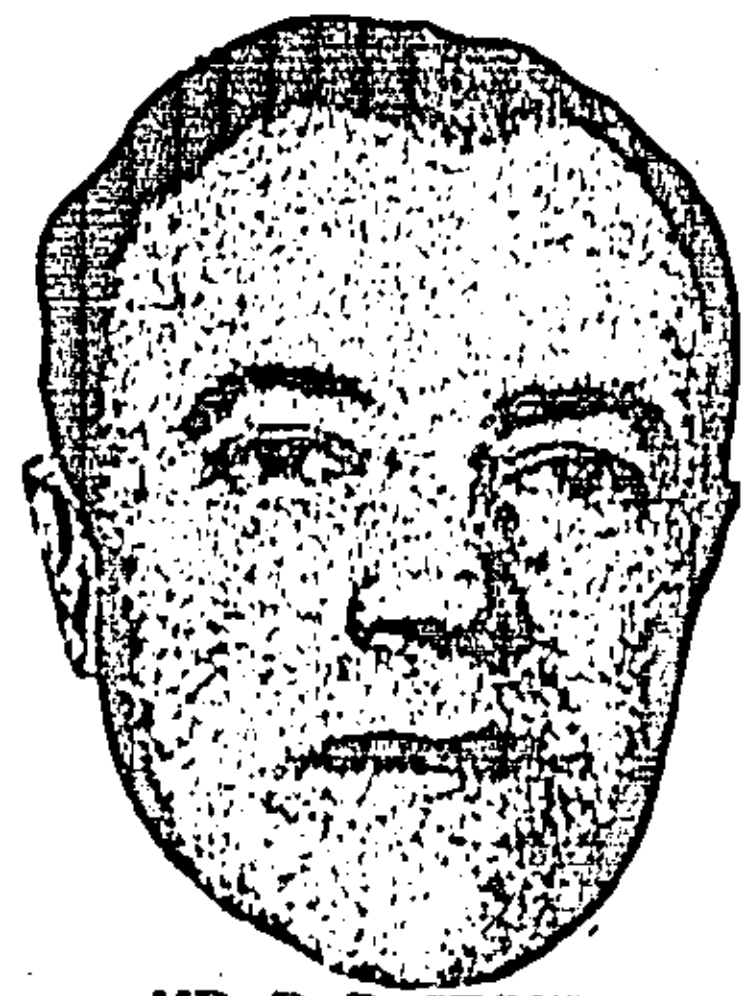
been accepted because the price was too high. The same evening Mr. Duff Cooper turned a complete somersault. He asserted that, in the opinion of his experts, the tender was far too low, and the work could not be done for the money. A month later, when the matter was again raised, Sir Victor followed the example of his chief, and, flatly contradicting his previous statement, said that the price was too low.

Sir Thomas Inskip, Minister for Co-ordination of Defence, was next called in to reinforce the Government ranks. In company with Sir Harold Brown, Director-General of Munitions Production, and Mr. Hampden Gordon, Director of Army Contracts, Sir Thomas interviewed Mr. Stokes and Mr. Tom Johnston, M.P.

It was suggested during the discussion that Ransomes and Rapier were expecting to be indemnified against loss. Mr. Stokes countered by offering, then and there, to sign a statement that the tender was a firm one, that no indemnification was expected, and that, on the contrary, he anticipated that he would repay a substantial sum to the Treasury after allowing for the cost of the buildings.

—BY—
R. R. STOKES

successful Labour Candidate in Ipswich by-election. First full revelation of the Ransomes & Rapier shell offer as told to H. Gordon Schaffer.



MR. R. R. STOKES

This was the reply of Sir Thomas Inskip on behalf of the Government:—

"That is quite beside the point. We are only here to decide whether the reply of the Secretary of State was correct or not."

One further attempt to justify the action of the Government was made by Mr. Duff Cooper. On May 6, 1937, he quoted figures to the House of Commons in which he compared the offer of Ransomes and Rapier, including allowance for plant, with prices of firms where no extra plant was necessary!

There, so far as Mr. Stokes's offer was concerned, the matter ended. Never at any time did the War Office reveal the price paid to firms competing on a comparable basis with Ransomes and Rapier. Through the whole negotiations, in which two members of the Cabinet took part, no encouragement of any kind was given to the idea underlying the proposal that arms should be made without profit.

The consignment of shells involved in this transaction would be sufficient to keep one six-gun battery going for fifty days. It represents an infinitesimal fraction of the £400,000,000 a year rearmament programme. Yet the taxpayer stood to save many thousand pounds.

On the assumption—which has never been denied—that the price was 1s. below competitive offers, the whole cost of the plant would have been paid off in three years, and, subsequently, each order for 150,000 shells would have shown a saving of £30,000. In addition, the Treasury would have received repayments varying between £5,000 and £12,000 a year.

The indictment does not begin or end with rejection of Mr. Stokes's offer. For years private profiteering in arms went on unchecked by the Government. Then a wave of indignation swept the world at the revelations made before the American inquiry into the activities of the Merchants of Death. A Royal Commission was appointed, with powers of investigation far inferior to those of the American Inquiry.

In October, 1936, the Commission reported:—"It is our opinion," it declared, "that measures ought to be taken to restrict the profits of armaments in peace time to a scale of reasonable remuneration. . . . War and preparation for war ought not to be the occasion of private gain. . . . We are confident that the public feeling on this matter, which we believe to be widespread, intense, and genuine, ought not to be disregarded. . . . We recommend that measures be taken to restrict the profits of armament firms to a reasonable scale of remuneration, designed not only to prevent excessive profits, but to satisfy the public that they do so."

The commission made sweeping proposals for Government regulation of the arms industry, through which restrictions of profits would be achieved. Its findings have been ignored, and the published profits of the arms manufacturers continue to soar.

Ipswich has given judgment. The verdict was as significant as South Battersea, which presaged the defeat of the Baldwin Government in 1929, and East Fulham, which, on the confession of Mr. Baldwin, frightened him into deceiving the British people to secure a dishonest triumph in 1936.

Rising food prices, ominous signs of approaching slump, the neglected tragedy of the distressed areas, all form part of the bill. The electors of Ipswich also pronounced judgment on a Government which not only betrayed the League of Nations and the cause of peace, but sacrificed the interests of the nation to the profits of the Arms Kings.

How The Profits Grow

HERE are the published profits of firms dealing in armaments:

	1935	1936
Vickers, Ltd.	928,105	1,162,610
Cammell, Laird and Co.	96,733	171,653
Baldwins Ltd.	512,246	630,440
John Brown & Co.	571,000	714,000
Bristol Aero-plane Co.	302,225	388,400
Fairey Aviation Co.	60,176	218,178
Hawker Siddeley Aircraft	378,193	573,198
Armstrong Siddeley	399,620	532,928
Dorman Long & Co.	617,710	698,455
English Steel	522,218	722,452
Hadfield's Ltd.	116,694	219,423
Tube Investments	620,730	825,090

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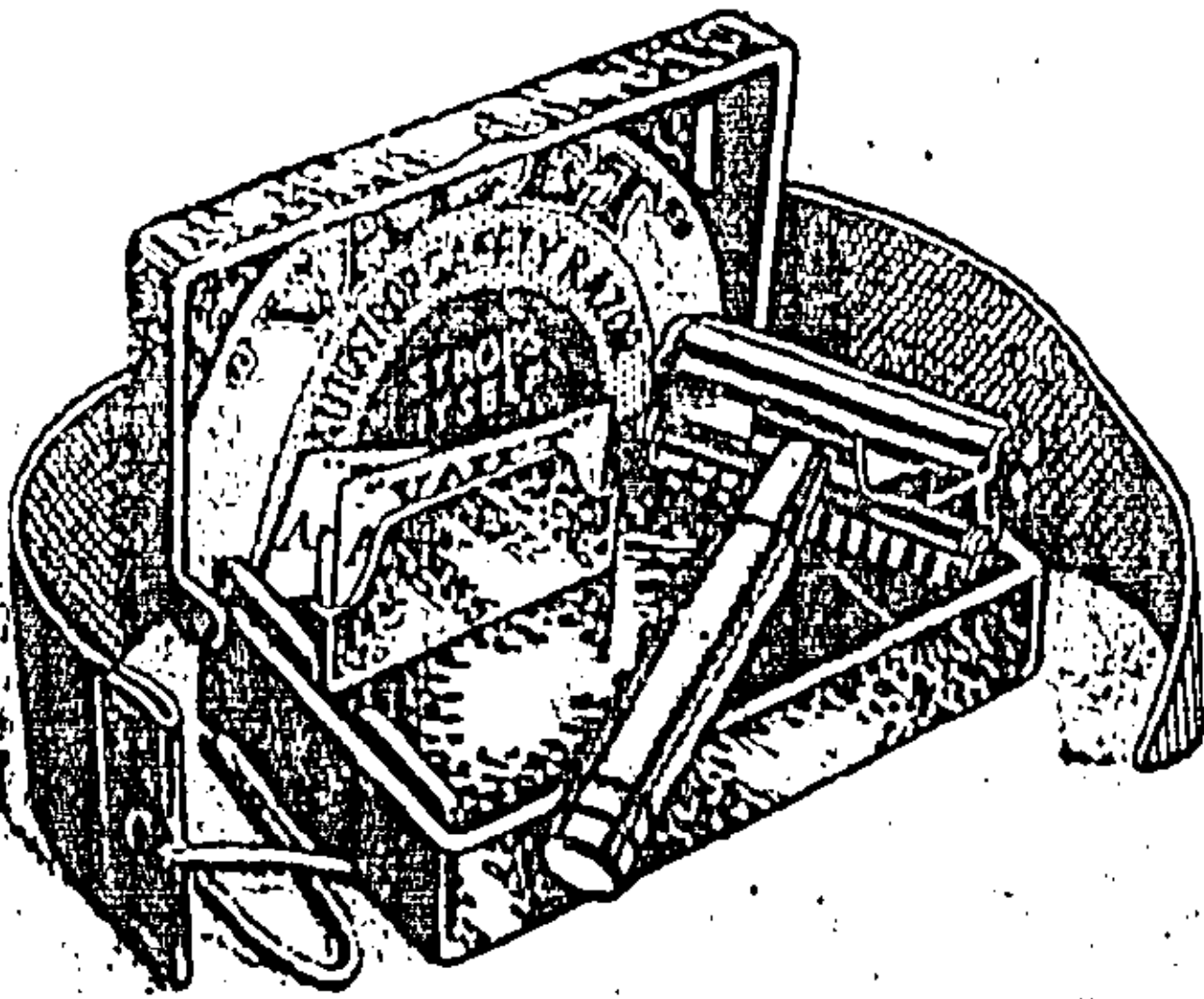
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THAT'S how your mouth feels after using KOLYNOS. The surging, invigorating Kelynos foam penetrates every pit and fissure and quickly removes the dull, dingy stains. It destroys and washes away the dangerous germs that cause tooth decay. Try KOLYNOS and see how clean and refreshed your mouth will feel.



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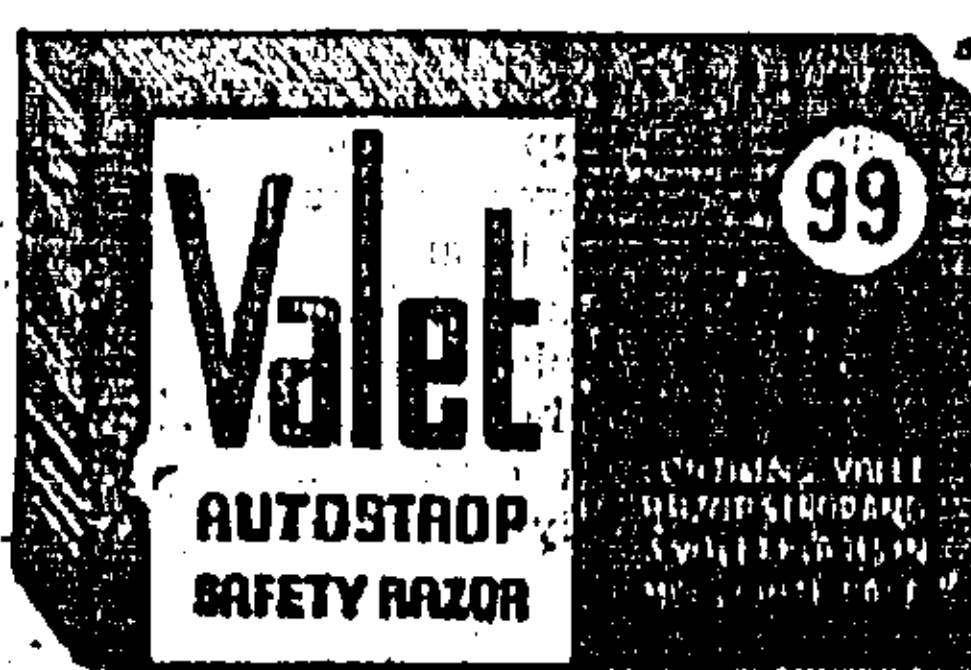


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HANDSOME WEDGWOOD WARE for BOURN-VITA LABELS

By collecting the labels (not outer wrappers) of your Cadbury's BOURN-VITA tins, you can obtain the beautiful Wedgwood Ware articles, here illustrated, free of charge.

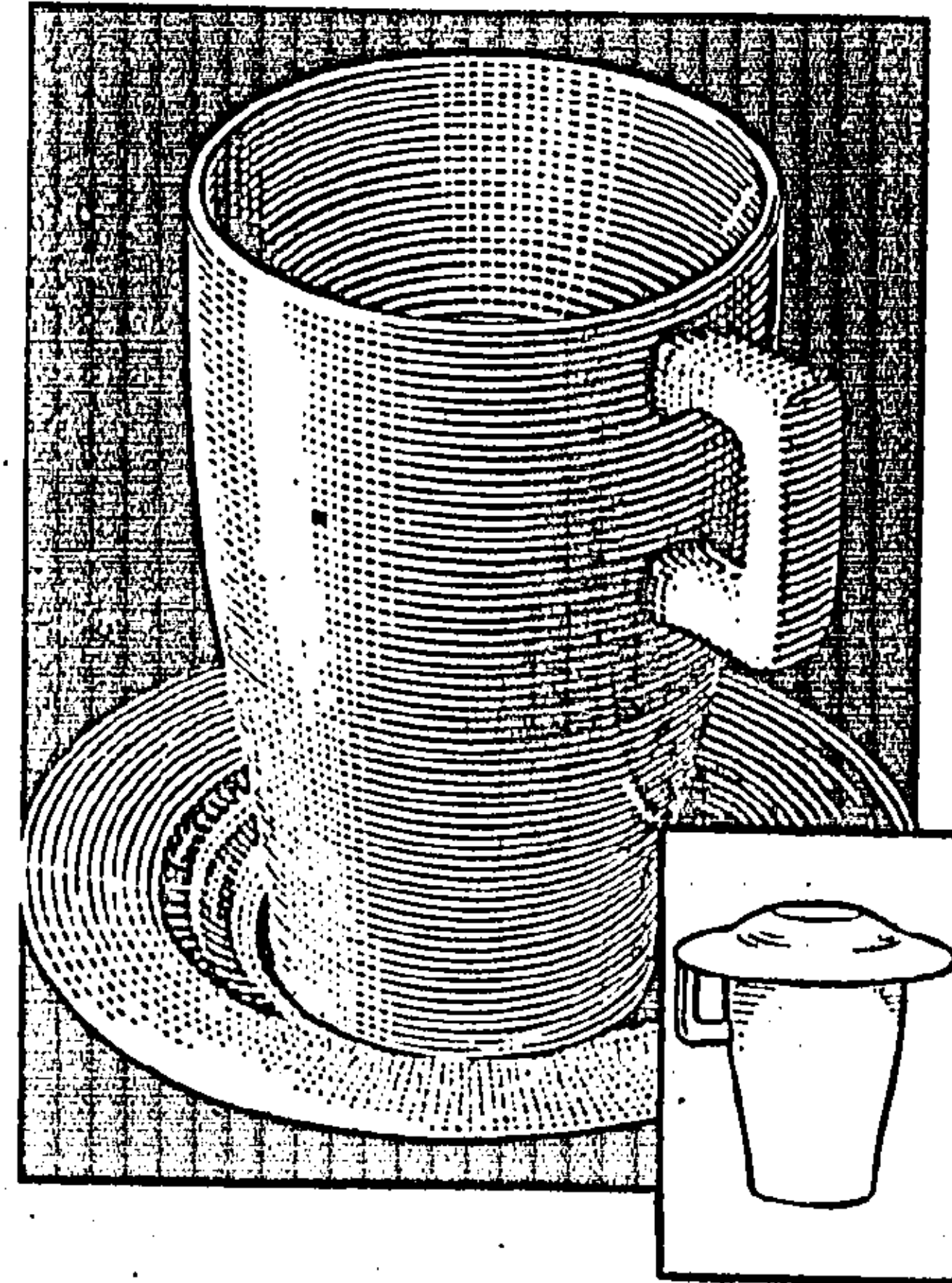
The number of labels required in exchange is as follows:—

Wedgwood Cup & Saucer
2 labels from 1 lb. tins
or 4 " " 1/2 lb. "

Wedgwood Jug
6 labels from 1 lb. tins
or 12 " " 1/2 lb. "

Start collecting your labels to-day and as soon as you have sufficient to qualify for these gifts apply to:—

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APB3

SOMETHING MISSING BY GAD!



Naturally, you would not take the road knowing that something was wrong with your car. It goes without saying that before setting out you would attend to any obvious defect liable to lead to your being stranded on a lonely road. Yet when you report "all correct" to your car do you (like so many drivers) overlook just one all-important item? Do you think of the lubrication? Neglect of this one point can bring more trouble in its train than any other oversight. Why? Because faulty lubrication leaves you "in the dark" about the damage it is causing until it is too late to apply the remedy.

Only regular lubrication with a high quality oil will keep you safely out of harm's way, so, buy only the best—

SHELL MOTOR OILS

Id. 28151.



"PYREX"
DOUBLE BOILER
\$16.50

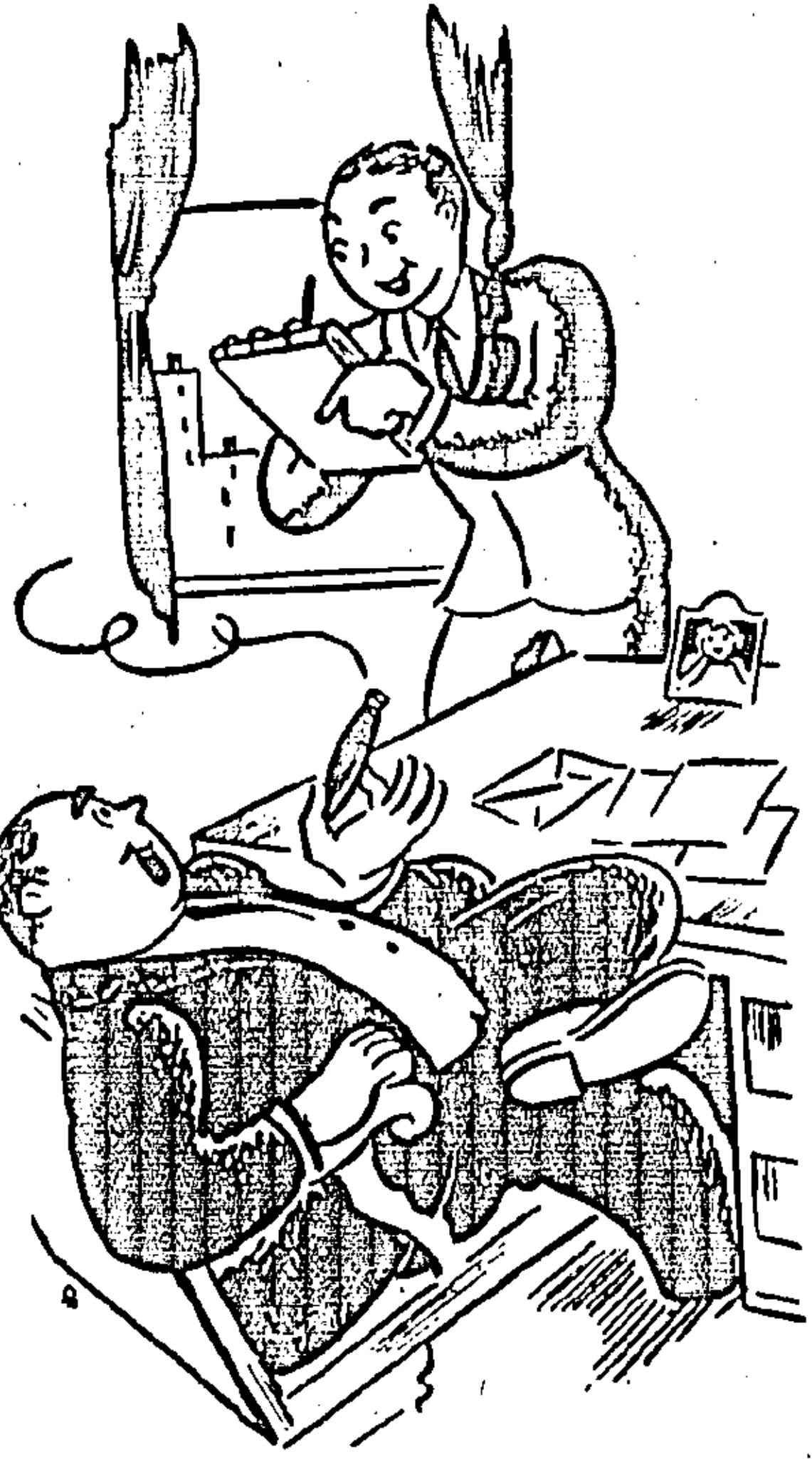
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FIRE PROOF OVEN WARE
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INCLUDE
CASSEROLES, PIE, CAKE,
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BUSINESS MEN "What could you
do with the money you lost at the Races?"



197 Said, "Plenty"
324 Said, "Buy a Coolerator."

Ah, well, as Shakespeare put it so neatly, "It's a tough
life that don't get no breaks."


Maybe next time But leaving
apart the question of next year, why
not bring sunshine into the home by
hiring, or buying, a brand new
Coolerator.

You'll be doing everyone in the family a good turn pro-
viding fresher and better foods; your wife will fall for Cool-
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the new economy.

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Small Family size. { the cost is.
\$3.50 per month Hire
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The Hong Kong Sunday Herald

HONG KONG, SUNDAY, FEBRUARY 27, 1938.

EYES ON EGYPT

THE decision of the Egyptian Cabinet to approach the British Government with a request for participation in the Anglo-Italian negotiations seems to have a significance that will not be lost upon Mr. Neville Chamberlain. The reason given for the invocation of Article 6 of the Anglo-Egyptian Treaty is that the Egyptian Government has reason to suppose that questions closely affecting Egypt will form an important issue in the negotiations. There is more than a suspicion, however, that there are factors in the situation, in addition to this assumption, which are not wholly unrelated to the constitutional crisis in Egypt which still remains to be solved.

The recent history of Egyptian political disturbances warrants a close study at the present time. Nothing seemed more unlikely in a world where chaos seems to be dominant everywhere than the downfall of Nahas Pasha, leader of the Ministry and an immense majority of both Houses of Parliament (elected less than two years ago), the Wafd which fought through to secure independent government for Egypt and appeared to command the support of the vast majority of Egyptians. Yet a personal quarrel between the King and the Premier, brought to a climax on the eve of the King's wedding, a moment chosen doubtless with sound judgment, wrecked the Wafdist organisation completely and even at this date, with elections pending, Nahas Pasha is still uncertain of the outcome.

We may be looking upon another example of the unreadiness of a people for democratic government (as we understand it) without that preliminary education and experience by which they earn and appreciate its benefits. For the trouble with Egyptian constitutional government, after long and bitter agitation by the Nationalists, is that the upper class clings to the time-old "palace government," as enshrining privileges which it is loth to relinquish. Intrigue is the prime political method of no one section, and old catch-cries die hard. The voting for the Wafd Ministry at the last elections was emphatic enough in British eyes to warrant a supposition that the effort to help Egyptians achieve their aim of self-government had met with approval and gratitude. And so, from all the signs, it had. That did not, however, prevent the minority, seeking its own ends, from raising the cry that Nahas Pasha had "sold his country to the English."

That that minority may be ready to sell it again to the Italians is merely an illustration of the recklessness of political intrigue. It is probably unnecessary—certainly without better proof—to regard King Farouk as a convert to Italian propaganda, or as serving the ends of the pan-Arab agitation upon which that propaganda constantly plays. In the past the Wafd organisation has shown as much violence as anything it now condemns in the "Green Shirts" of the student element; and King Farouk's proposals to Nahas Pasha that non-Wafdist notables should be introduced into the Ministry were not improbably directed to regulating the conduct of a party which had suddenly found itself in complete command of Parliament. For Egypt has been intensely disturbed, both by the Italian campaign in Abyssinia and by the Italian agitation of Arab malcontents in the Levant. In all sides of Egypt, it may be said, the Italians have fanned Moslem feeling against changes which, from the extinction of the Caliphate onwards, have affected the Eastern Mediterranean peoples with a not unnatural resentment. Yet the truth is that nothing could have spared the Moslem world from the impact of these changes, especially when Turkey led the way. On top of the turmoil of "ideological" factions, the stimulation of which the Italian Government has made its favourite occupation in foreign affairs, Egypt has also been made conscious of her immense importance to all European Powers as a region of strategic importance. The reactions of the double conflict must have laid a heavy burden upon the young King. He has seen the agony of Spain at one end of the "Italian lake," and may well tremble before the visions of Egypt also as a possible battle-ground for rival foreign armies.

Rumblings of discord between Mr. Neville Chamberlain and Mr. Anthony Eden

dating from the visit to Berchtesgaden of Lord Halifax, did not prevent the final breach on Sunday from proving the biggest political sensation since Parliament and the public repudiated the Hoare-Laval Agreement. The immediate cause of Mr. Eden's resignation was a communication from Mussolini declaring Italy's desire for Anglo-Italian negotiations in the form of, Mr. Eden insisted, a now or never ultimatum. Mr. Chamberlain contradicted the interpretation placed upon the invitation by Mr. Eden, but coincidentally proclaimed his view during his defence of his attitude, that it was now or never, and that Italy could not be faced with a rebuff.

Running through the Commons debate on the development was a definite suggestion that Mr. Eden had been sacrificed to Signor Mussolini, and Mr. Lloyd George did not hesitate to accuse the Prime Minister of holding back a telegram from Rome, agreeing to Mr. Eden's conditions, which he insisted was in London before Mr. Eden resigned. It was not mentioned until the Premier announced its receipt in defence of the stand he had taken. The bitterness aroused subsided somewhat when Mr. Eden re-bentrop's appointment to the fused to make capital of his universal popularity. There were plentiful signs that any move by the ex-Foreign Secretary to create a party schism would have gravely disturbed the Premier's position. Mr. Eden is youthful enough to bide his time.

Foreign reaction furnished sufficient guide to the meaning of the spectacle. France was

THIS WEEK

disquieted, but, typically, relieved on assurances that Anglo-French relations would not suffer. Italy was jubilant and the Germany well pleased. The United States, with whom Mr. Eden had achieved closer collaboration than any Foreign Secretary in history, took his dismissal as a slap in the face and a serious blow to the democratic front. China was profoundly disturbed. Japan began to talk of new possibilities of Anglo-Japanese rapprochement. In short, the Premier's prospects of successful negotiations with the signatories of the anti-Comintern Pact have, as he claimed, been greatly enhanced. An Italian condition precedent is stood. Dr. Schuschnigg's position after the Berchtesgaden conflict, Germany wants colonies to define, until he made it plain that, despite fears to the contrary, his concessions to Herr Hitler did not include any sacrifice of Austria's insistence upon her independence. Incidentally, for those who read between the lines, Rome's relief at the Austrian statement of policy was barely disguised.

Herr Hitler's speech was marked by a sharp personal attack on Mr. Eden and Mr. Wickham Steed, in his Foreign Affairs broadcast, hinted that this helped the Foreign Secretary to make up his mind. China too was provided with a shock, and the nouncement of the recognition of Manchukuo. Herr von Ribbentrop's appointment to the step universal popularity. There were plentiful signs that any move by the ex-Foreign Secretary to create a party schism would have gravely disturbed the Premier's position. Mr. Eden is youthful enough to bide his time.

Signs of increased isolation internationally were offset in China by encouraging results in the conflict with Japan. Newly-trained pilots are now coming into service with fast and efficient fighting and bombing planes and Japan's mastery of the air is at least being subjected to a sharp challenge, the effects of which have been salu-

tary. Twelve Japanese planes were shot down in air combat over Hankow, six in Kwangtung and eight at Nanchang. On the war front, planes have given the Japanese forces repeated doses of their special bombing medicine, while a dramatically successful raid on Formosa led to the creation of a general alarm throughout Kyushu Prefecture when a Chinese air squadron was reported putting out to sea. Japanese spokesmen profess not to be worried.

The second big political speech of the week in Europe, that of Dr. Schuschnigg, was more significant than that of Herr Hitler. The policy of the Fuehrer is fairly well known and understood. Dr. Schuschnigg's position after the Berchtesgaden discussion was a little difficult to define, until he made it plain that, despite fears to the contrary, his concessions to Herr Hitler did not include any sacrifice of Austria's insistence upon her independence. Incidentally, for those who read between the lines, Rome's relief at the Austrian statement of policy was barely disguised.

The dramatic victory of the Spanish Government at Teruel was wiped out by the capture of Munsueto in the insurgent counter-attack, rendering the city of Teruel untenable. At the moment, the attempt of the insurgents to improve upon the original position has been halted but some anxiety is still felt in the Government camp. The loyalists' claim that they achieved their purpose in breaking up the Franco programme for the winter sounds satisfactory, but the test is to come, as to whether the creation of the diversion has not had the effect of opening up a vulnerable point.

SCRUTATOR.

Battle Of Ideas: by Dick Darlington, Parent, Child And Teacher

WHAT a pother when anyone attacks our educational system! When Lord Justice Percy pointed out that the better-to-do parent does not readily send his children to an elementary school, was the violent reaction to his remarks a psychological indication that the defenders of our elementary schools feel there is something to hide?

If the better-to-do parent was educated in an elementary school himself and hesitates to put his own child through the same process, this fact should make educationists themselves hesitate in making quick retorts. It is fair for educationists to turn to the dissatisfied modern parent and ask him what it is he wants for his child. How, for instance, does he visualise this revolution in education to fit the times?

Without venturing into controversy about what education is, the modern parent assumes that it is much more than knowledge of facts, more than manipulative ability and skill in the arts and sciences. It has to do with a tender, delicate something—mechanism if you like—which we call the human spirit. Often in seeking to encourage its growth we can only decide what should not be done. The child of to-day leaves home for school at five years of age more independent than many grown-ups over 40 will ever be.

The parent does not want that free spirit, crushed or even gently pressed into an out-of-date mould. There are some things which could be altered at once. The lining-up in school yards and the marshalling of children into school on Napoleonic lines is an example of the disastrous outrages daily perpetrated upon the human spirit. Look at the curriculum! The amount of knowledge pumped into young people nowadays is terrific. Hundreds of them are walking encyclopaedias. But that is not what we want.

tionally. We do not believe in physical jerks of the mass demonstration type. If a school cannot afford both, a trained medical-psychologist should replace the jerks man, (O.T.C.'s, Boy Scouts, and Girl Guides would, of course, be impossible in a real educational institution—their support by a school is an admission that the latter is not doing its job).

There is no revolution in the technique of teaching to correspond with the revolution in the speed with which we can now obtain knowledge through the use of the cinema and radio. Yet there has been little attempt to exploit the "mechanical advantage" of these methods. Where, for instance, is the film which will, or has, saved a pupil the labour of reading say 200 pages of a geographical text-book and thus lighten his homework tasks?

The homework problem is wrapped up with many other problems. The modern parent wants to create that atmosphere at home in which his children will enjoy life to the full, he wants them to find their own souls, to feel they are free to read, to listen to the radio, to develop hobbies, crafts, music, or to do extra school-work if they wish. The traditional methods of issuing homework destroy this possible development of family life.

We want our children to know



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THE MASTER-VALVE

Purity of Tone is a necessity to all who have that finer sense of radio. Purity of Tone is appreciated at its best when Mullard Valves, working for you, bring Mullard research to aid you to attain that perfect state of perfect radio. The Mullard Valve Guide—free upon request—will enable you to select the correct Mullard equivalents for your set.

GET IN TOUCH WITH US TO-DAY—
THE ANDERSON MUSIC CO., LTD.
Ice House Street Tel. 21322

MUSSOLINI'S PRESENTATION OF ULTIMATUM TO BRITAIN

Mr. Eden Reiterates Now Or Never Description Of Invitation

RUMANIA VOTES NEARLY 100 PER CENT FOR KING

Bucharest, Yesterday.
It is officially announced that 99.87 per cent. of the Rumanian electors voted in favour of the new constitution. The final figures were 4,288,800 for and 5,013 against.
The Rumanian Government has decided to terminate the functions of the so-called naturalisation committee, which has hitherto examined all applicants for Rumanian citizenship.
In future, all such applications will be submitted direct to Parliament.

CHURCH DECISION

The Holy Synod of the Rumanian Orthodox Church, at the close of a lengthy session, has decided that all clergy and all church adherents should be called upon to withdraw from all political parties of which they are members.

Thus the Synod has adopted the same procedure as the Rumanian Government, which forbade all civil servants to be members of political parties.

The Synod instructed that a pastoral letter be read in all churches of the land on March 13 exhorting the Rumanian people to peace, order, brotherliness and respect for the laws and the authorities. — Trans-Ocean.

AGRARIAN PARTY DISSOLVED

Bucharest, Yesterday.
The Minister of Trade, who is leader of the Rumanian Agrarian Party, has declared the party's dissolution.

In a circular letter to party members he says he is terminating the party's activities in conformity with the new constitution. — Trans-Ocean.



Peggy Scotcher, one of the performers in the Goncharoff ballet at the King's Theatre on March 10, in an attractive pose.

Herr Hitler's Attack On Foreign Press

Munich, Yesterday.

An attack on the foreign press, and reiteration of Germany's demand for colonies, were the main points in a speech delivered by Herr Hitler last night to a gathering of veteran members of the Nazi Party.

Referring to the colonial question, the Fuehrer said that Germany had no differences with Britain except over colonies, and added that the Reich wanted peace, but it had to be peace with honour.

Dealing with the foreign press, he claimed that within less than a week of his Reichstag speech,

newspapers abroad were recommending their tirade of lies.

The Fuehrer instanced two rumours—one that 40,000 men of the Austrian Legion in Germany were awaiting orders to march on Vienna, and another report that a further 10,000 troops were ready to attack Czechoslovakia.

MALICIOUS INVENTIONS

"From beginning to end," declared Herr Hitler, "these reports are malicious inventions."

"Here is further evidence of how the Jewish international poison-mongers spread lies."

"We can make our deductions from this. We shall soon deal drastically with agitators in Germany. We know that they are representatives of this international, and we shall treat them accordingly."

"They are only capable of agitating and lying, and we also know for certain that these Jewish agitators will never actually fight in any war but will be the only ones to derive any gain from war."

NEW OUTLOOK

The Fuehrer concluded by stating

Tremendous Popular Enthusiasm Shown At Leamington EX-FOREIGN SECRETARY JUSTIFIES POSITION

London, Yesterday.

The ex-Foreign Secretary, Mr. Anthony Eden, explained and justified his position and the events which led to his resignation, in an address to his constituency of Leamington last night.

Hours before the speech was scheduled to begin, the hall was packed with hundreds of eager listeners, a great number of them being women.

Before coming to the principle topic of interest, Mr. Eden spoke warmly of the Under-Secretary in the Foreign Office, Lord Cranborne, who resigned with him.

"Whatever may be our lot in the future," declared Mr. Eden, "there can be no doubt that Lord Cranborne is destined to play a more prominent role in British public affairs than hitherto."

Emphatically denying that his resignation was due to health, Mr. Eden declared that his political convictions necessitated the step, and challenged assertions of some Cabinet members that he had walked out without attempting to understand the other members' point of view in the Anglo-Italian question.

"I could never have accepted such a policy," he stated, "because it is contrary to my convictions."

DIRE RESULTS

"I should not only have had to assume the responsibility for this policy before Parliament but should have been obliged to represent it personally in negotiations with Italy, negotiations which could have dire results for England and her prestige in the world."

"I took the opposing stand because my actions would otherwise have been unfair to Parliament and the nation."

Speaking of his relations with the Prime Minister, Mr. Eden emphasised that from the beginning, their co-operation had been close, but he pointed out that he had the same right to hold convictions and support them as Mr. Chamberlain.

ANGLO-ITALIAN RELATIONS.
Asserting that in his opinion the necessary background for Anglo-Italian negotiations had not been created, Mr. Eden stated that he would nevertheless not oppose the action of the Government in word or deed.

He declared it was not possible to give further information.

ing that the German people to-day not only had a new outlook but also a new attitude and a new confidence, "and that is perhaps the most decisive change which has taken place in Germany within the last five years." — Trans-Ocean.

Ladies For A Day!

THAT little song, "The rich get rich and the poor get children; ain't we got fun," had a pleasant variation when hundreds of amahs invaded the Hong Kong and Shanghai Bank in a squealing talkative mob and kept a teller busy most of yesterday morning, paying out \$141,000.00, first prize in the biggest Jockey Club sweep ever.

Presenting cheques for amounts proportionate to their shares—one held ten—the amahs exchanged the pink slips for wads of notes varying between \$30, a tenth of one share, and \$4,000.

Under the watchful eyes of bank guards and police, the lucky share holders in the winning ticket carefully counted what to

them was untold wealth, while admiring husbands and relatives softly repeated yat-yi-sam-azo.

Several, tightly clutching their winnings, wandered round the bank, spellbound by the magnificence of an edifice the doors of which had for once been opened to them by a strange whim of the Goddess Chance.

C. E.

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Here's Good News for Sufferers of HEADACHE— SOUR STOMACH

Are you one of those who frequently wake up in the morning with a bad headache, bad taste in your mouth, stomach all upset, sluggish, feeling "all in," depressed, unfit and unable to go to work?

These are ACID mornings—CAUSED by an excess accumulation of ACID in your system. Normally your system should be slightly ALKALINE, but through eating too much ACID-producing foods, over-indulgence, over-worry, too late hours, smoking or drinking too much, getting over-tired, your body becomes TOO ACID—and ACID mornings with distressing days are sure to follow.

Thanks to science, these ACID conditions and the aches and pains are easily and quickly relieved with Alka-Seltzer, the new anti-acid, alkalinizing tablets. These modern, pleasant tablets give a double benefit. First they re-

lieve the pain, and then correct the CAUSE. You will be surprised and delighted with the prompt and effective way this new, Effervescent, ANTI-ACID preparation will relieve and make you feel your happy, active, buoyant self again.

The next time you have a Headache, Upset Stomach, Acid Indigestion, Heartburn, or Muscular aches and pains, just drop an Alka-Seltzer Tablet in a glass of water and drink the pleasant-tasting drink it makes. Your pain and discomfort will vanish and your normal, healthy feeling quickly will be restored. There is nothing else like Alka-Seltzer—nothing so effective. It contains no harmful drugs—safe both for children and adults. It is not a laxative. To get well and keep well, Alkalize with Alka-Seltzer.

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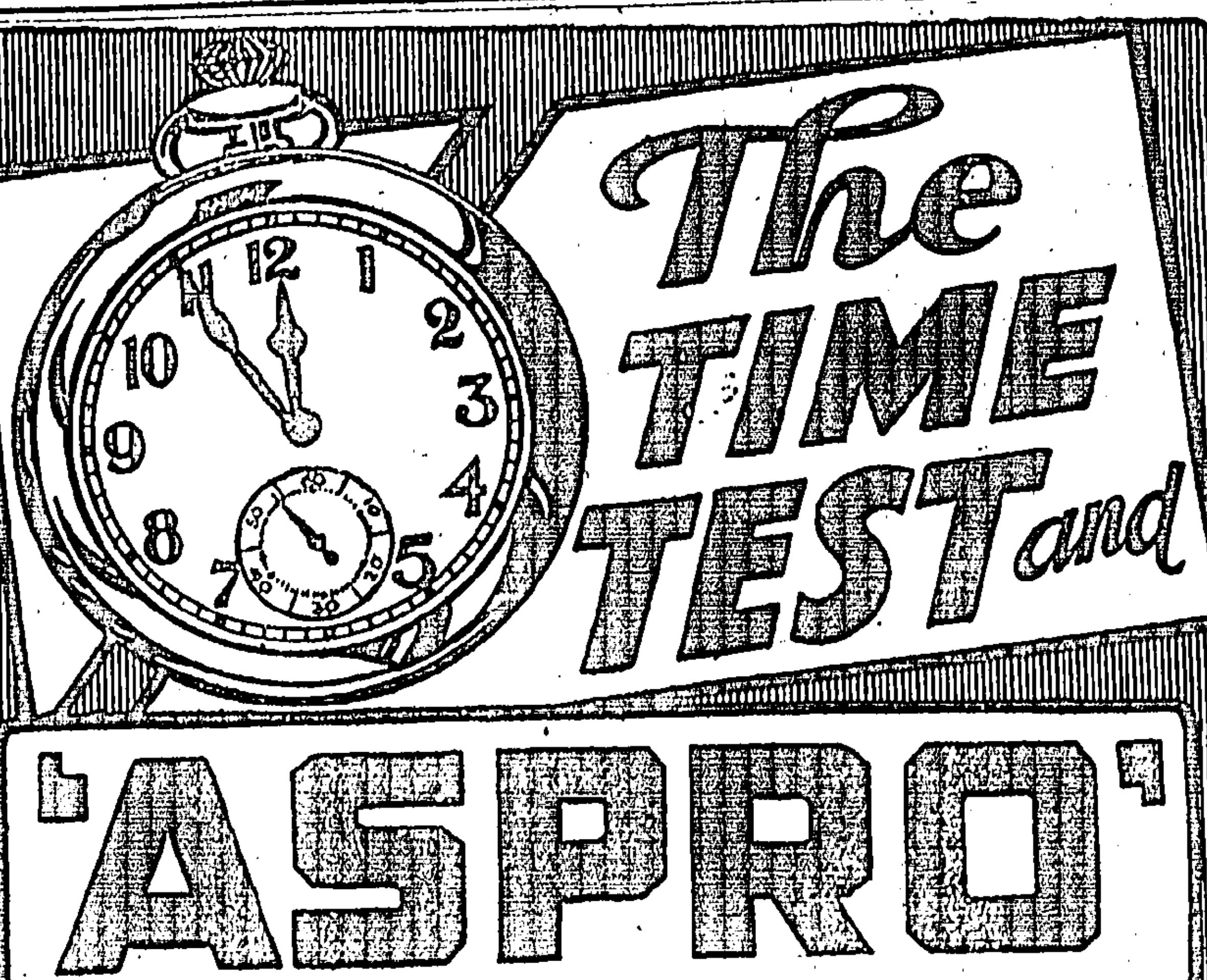
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CREAM

A combination of 3 famous preparations. One refines coarse pores, one strengthens the facial muscles, the third smoothes the skin & softens wrinkles. This is especially recommended for a relaxed skin.

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THE old idea that a dozen medicines were needed for a dozen complaints—that laying up for indefinite periods was necessary—that it was also necessary to take dangerous drugs and narcotics—was an illusion. 'ASPRO' has dispelled it. For it is the medicine that takes the place of a dozen medicines, because, after ingestion in the system, it is an internal antiseptic—an anti-pyretic or fever reducer—an anti-periodic—a powerful germicide, and a solvent of Uric Acid, and, therefore, banishes the causes of numerous complaints. That's why ASPRO banishes headaches in five minutes. It's the time test for quick action, and it stands the test of time. 'ASPRO' soothes the irritable—brings sweet sleep to the sleepless—relieves rheumatism in one night—smashes colds and influenza at inception. Furthermore, 'ASPRO' does not harm the heart or the stomach. It can be taken by all, from child to parent, anywhere, any time. The price is within the reach of all.

BUY A PACKET TO-DAY FOR PROOF.

RESULTS in 5 MINUTES

'ASPRO' Hunts Out Neuralgia and Rheumatism

Dear Sir,
It gives me great pleasure to pen these lines of appreciation for the wonderful benefit I have derived through taking your ASPRO Tablets. I have been for some time a sufferer from NEURALGIA and RHEUMATISM, and have tried various remedies, but without any beneficial results. I was advised by a friend to try ASPRO, which I did, and I took, with remarkable results. After taking six tablets, my Neuralgia disappeared. I continued taking two after every meal, and can now say that I am free from any pain, either Rheumatic or Neuralgic. You will, therefore, quite understand the pleasure I derive in recommending such a wonderful simple medicine to other sufferers.

Yours faithfully,
(Sgd.) FRANK AUSTIN

15 PROVED USES:

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- 5 Take 'ASPRO' to relieve Toothache.
- 6 'ASPRO' taken according to directions will smash up a Cold or Flu attack in 4 hours.
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- 8 It soothes away Irritability.
- 9 It speedily reduces Temperature.
- 10 The stabbing pains of Sciatica and Lumbago can be hunted out with 'ASPRO'.
- 11 It can be taken at any time, in Tram, Train, at Home, at Business—anywhere—everywhere.
- 12 It gives great relief to women when depressed.
- 13 It relieves all after effects of Alcohol.
- 14 It relieves Dengue and Malaria by reducing the Fever.
- 15 As a Carafe 'ASPRO' is wonderful for Sore Throats and Tonsillitis.

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MAXWELL HOUSE COFFEE
GOOD TO THE LAST DROP

ANOTHER CONCERT, AND I'M ALL FAGGED OUT

I THOUGHT YOU WOULD BE AND I'VE GOT JUST THE THING YOU NEED

A STEAMING CUP OF MAXWELL HOUSE COFFEE THAT WILL REVIVE YOU

SAY, YOU'RE A SMART LITTLE WIFE, THIS MAXWELL HOUSE IS ACTUALLY MAKING ME FEEL ALIVE AGAIN—IT'S MARVELOUS

VITA-FRESH

MAXWELL HOUSE COFFEE

NOW 2 GRINDS DRIP GRIND AND REGULAR

Please, Professor!

—BY—
ADAM SHARE HOLDER

Professor Middleton Smith, in his article in the "Sunday Herald" last week stated that the scholar had a responsibility as a citizen.

I am not a scholar, but every individual has some responsibility for the social system. May I venture to offer a few new ideas for the consideration of the padre and the professor? If they find the ideas worth deeper study they can improve upon them, and use them to make at least one constructive step towards peaceful economic evolution.

There is a wide-spread feeling that the present economic system does not work as well as it should, but the average man cannot point out just where it is wrong.

There is no single simple formula that will resolve the tragic obstructions in the economic and political world, but I offer at least one modification of the capitalist system, which I believe to be practicable and vital to the economic health of the world.

NEW TECHNIQUE

Capitalism needs a new financial technique to increase effective buying power and to maintain a balance with the enormous productive power, which we have, and which, thanks to science, Padre, is potentially still more enormous.

I do not suggest taking away from anybody something he already has. Everybody is entitled to the feeling of security that hatches from a nest-egg.

Wealth is not the only cause of hatred, so let us avoid any emphasis on the ownership of wealth, but, an uneconomic and unjust distribution of the results of production does appear to be at the root of our troubles and our bitterness.

My wife has often said, "If you want to know whether anything is 'right or wrong multiply it.' It is therefore only for the sake of simplicity that I take a single hypothetical case as an illustration of one grave fault in the system.

AD INFINITUM

Miss Baby Cottonworth inherits a few million pounds from her father and, by reason of her wealth alone, establishes, not only for herself but for her great-grandchildren *ad infinitum*, a claim to be supported by the community in perpetual idleness and luxury, without contributing anything further effort towards the common benefit.

Perhaps she gives to Charity, but shall we assist the individual derelicts of the system, leaving the system to go on producing poverty and exploitation?

Miss Cottonworth's father earned the money and is therefore entitled to leave it to his daughter, you say. True, but where the present system is at fault, is in having no limit, in time or in financial return, to the claim established by the simple principle of investment, a claim which may be met out of proportion to the original sacrifice made when the investment was made.

A worker's claim is established by the production of wealth or the doing of some service, but the reward of such claim is not unlimited per se. On the other hand capital may be invested in machinery etc. which may perish, but the share-holders claim is not necessarily limited by that fact.

The investor continues to expect dividends. This may include both Padre and Professor, for we all have our responsibilities to shoulder, but let us confine ourselves to Miss Baby Cottonworth, now married, shall we say, to a Feudal Prince of some foreign country.

FLOW TO PRINCELINGS

The girls in the Cottonworth Bar, gain Store continue to work on very moderate wages, and the manager continues to use their brains and bright ideas, in order to maintain the flow of dividends to the Princelings and their descendants in perpetuity. Is that the way to encourage enterprise and initiative and develop the economic system?

Morally and economically it does not seem quite the best system, but we must not become emotional, Padre, we must be scientific and practical. This is where the Professor can help with constructive criticism of the scheme.

Let us realize that, as things are at present, wealth, except in very small quantities, cannot be produced without the help of already existing wealth. That's tough on the worker, however intelligent who has no capital, but we must meet conditions as they are. Violence defeats its own object and sudden change would be destructive not constructive. If there is to be investment of sufficient size there must be inducement to invest. The investor must be allowed to establish claims to receive wealth and services produced by other workers without himself contributing any labour.

(All pensioners in favour?) But need the claim be in perpetuity (disregarding accident and lack of financial wisdom) and to an unlimited extent?

POLITICAL EFFECTS

Before submitting my proposals with regard to reform I must show the general reader the effect on international politics of multiplying the case of Miss Baby Cottonworth. Perhaps I appear to digress from the original argument about the depravity of the hard-working middle-class in Hong Kong, but I shall lead up to that. I must deal with the wider issue first.

The wealth of Japan is concentrated in the hands of about eight families. Between them these fam-

Some practical proposals towards peaceful economic evolution for the consideration of both Professor and Padre

lies own nearly one half of the bank deposits, three quarters of the industrial properties, and rather over one quarter of the insurance reserves.

Japan has experienced a quick change over from feudalism to capitalism. This has enabled the industrial leaders (with vested interests) to organise efficiently with cheap labour, with no limitation of working hours and no minimum age limit.

The competition of this cheap labour helped to increase the cycle of depression in other countries and, it appears, the profits from the industrial expansion in Japan did not benefit the workers in Japan. Thus instead of creating a home market there came a pressing need for foreign markets. The demand for expansion, inherent in the present set-up of capitalist production, and the friction arising from the intense competition between an increasing number of industrial nations is resulting in war conditions.

Some reader will say "But that is because Japan is more or less a totalitarian state!"

It has been estimated that 45% of the wealth of England is owned by 1% of the population. Again the emphasis is not on the ownership, but on the uneconomic and unfair distribution of the results of production.

A more sensible distribution of profits may not be an absolute cure-all, but it will help to maintain a better equilibrium between consumption and production, lessen the danger of recurrent periodic break-downs in the financial system.

Before giving the brief details of the proposed reform I must go into the social implications of our present system, giving human and realistic examples rather than theoretical averages.

I know an athletic young professor, who stated with conviction that, if it ever came to fighting between Communism and Capitalism, he would be on the side of Communism.

I know an old and trusted Government servant in Hong Kong, who was enthusiastic about the relatively humane atmosphere of other ports. Even the Scots padre was inclined to be emotional in accusing the middle-classes in Hong Kong of depravity.

Where there is smoke there is a fire. The Reverend Scot is to be congratulated upon his generous feelings for the under-privileged, rather than upon his analytical faculties.

The Professor has specialised in science and engineering, the productive machine appears to be able to care for the effective buying power of the world. Perhaps the Professor can now help humanity by studying the social sciences.

SOUR GRAPE?

In the meantime what is the fire causing this acid smoke?

An anonymous writer must risk being accused of suffering from sour grapes if he attempts the difficult task of analysing a social system, which is a devalued relic of the feudal system, infused with the self-complacency engendered by position or wealth, (often undeserved or unearned personally) the possession of which seems to leave the owner lacking in alert sympathy for those who have not been placed in the same privileged position.

It is not the *raison d'être* of the Commons to provide a system of outdoor relief for the sons of the upper and middle-classes. (I speak without bitterness, as family connections place the writer and his relations in the fortunate category.) The privileged classes have for generations had first option on the grounds of "character" or background. The system has its advantages and its disadvantages.

Let us begin at the top, with all due reverence to Hong Kong, is only a reflection of the mental attitude of the privileged classes at home and, at any rate, officialdom has the excuse in many cases of having many hard and capable workers.

We may not all agree on the characteristic traits of the privileged ruling classes in England, but it would appear that every radical disturber of convention is punished with social ostracism. The intellectual rebel is driven out of the country (Wm. Senn) or into the role of Jester (Bernard Shaw).

FEUDAL RELICS

The people are therefore subjected to the intellectual and, above all, to the social conventions of the ruling group, still composed to a large extent of feudal relics or the inheritance of wealth. The thought and emotion of the average Englishman is ruled by a social code, whose standards have become indisputable axioms for all classes.

Intervenor with these standards is a code of common decency and fairness, which makes it all the more difficult to criticize those among "the powers that be" who trade on their privileges. Those who do have learned to play cricket they can still be cads.

Sometimes the form taken by certain social customs is harmless and amusing. In one colony (a long way from Hong Kong) it is the custom at official receptions, to have a holy

of holies, which is entered only by the Plantagenets out of the top drawer.

Presumably this is good for discipline and still better for prestige, though possibly it is to avoid being overwhelmed by the crowd. It does not imply that "lumpsums," or even polished captains and majors, are lacking in manners. Perhaps an exaggerated form of this idea expressed in official positions, or even amongst princely "talpans," in such a way as to cause a slight bitterness amongst the small fry.

OFFHAND OFFICIALS

The fact that a man in an official position is perhaps unconsciously a little careless and off-hand to his manners sometimes to ordinary folk, where he would never forget to be scrupulously charming and his real self, to people of so-called importance, should not be allowed to affect one's opinion of him nor of a class, which on the whole is decent at heart. These men, who strive to give the impression that they are the seat of diplomacy, when they are only the back side of Britain's efforts to maintain her overseas trade.

But we digress too much. The writer has been only trying to find the cause of the little and of Hong Kong's probably undeserved reputation for snobbishness.

The practical economic suggestions are overdue and will be given after discussing one more question.

The padre has made the problem more difficult by pinning it down to Hong Kong. This introduces the complication of comparative standards of living as between different peoples, and the Malthusian aspect of the pressure of population. It is impossible to discuss this aspect in this contribution, and I must confine myself to a proposed modification of the capitalistic system in Europe and America first.

RE-ORIENTATION

Hong Kong cannot afford to become the happy hunting-ground of 400 million people.

A re-orientation of our present ideas is necessary.

Under our present system incomes with an indefinite life are passed on from one generation to the next. This puts it into the power of individuals to impose taxes upon posterity in order to carry out their whims.

We are not progressing towards the goal of national prosperity, of plenty for all as rapidly as our progress in technical efficiency. Professor!

The alternative of Socialism would perhaps result in a dead level of equality becoming a dead level of inefficiency.

There will always be inequalities of wealth, but something should be

done to ensure that intelligent, capable men without money are not kept down by the capitalistic system almost impossible to rise. The present system is heavily weighted in favour of the investor as against the worker.

BLUE-EYED BOYS

Let us forget about Miss Baby Cottonworth. Let us concentrate on our own little nest egg, Padre, the sugar we expected on dividend on our small savings, which was going to give us security in our old age. Professor, is it possible that personal desires blind the employees of big firms to the fact that they too get caught directly, or indirectly, in any depression, for they may not have been axed by Head Office in its efforts to cut down expenses, in order to maintain the dividend due to them as small shareholders, but the market price of their shares has tumbled badly. Even the capitalist has suffered from the collapse in the stock market caused by the lack of buying-power, and the disequilibrium between production and consumption. Paper profits and real profits have both been lost in the slump. So what? The share-holder is naturally the "blue-eyed" boy, so the Directors are concerned. But the Directors themselves and the Company itself is in difficulties, because the "blue-eyed boy" has a tendency to grab all the sugar.

You say, if you cut down dividends, people won't work and universal laziness will overtake us. Many of the common-critters should have gone to the dogs long ago! In the present day social structure many people work without dividends, and lots of those who receive dividends don't work. The investor class tends more and more to become a sleeping partner.

Remember the power of producing wealth should be of more importance than the wealth itself.

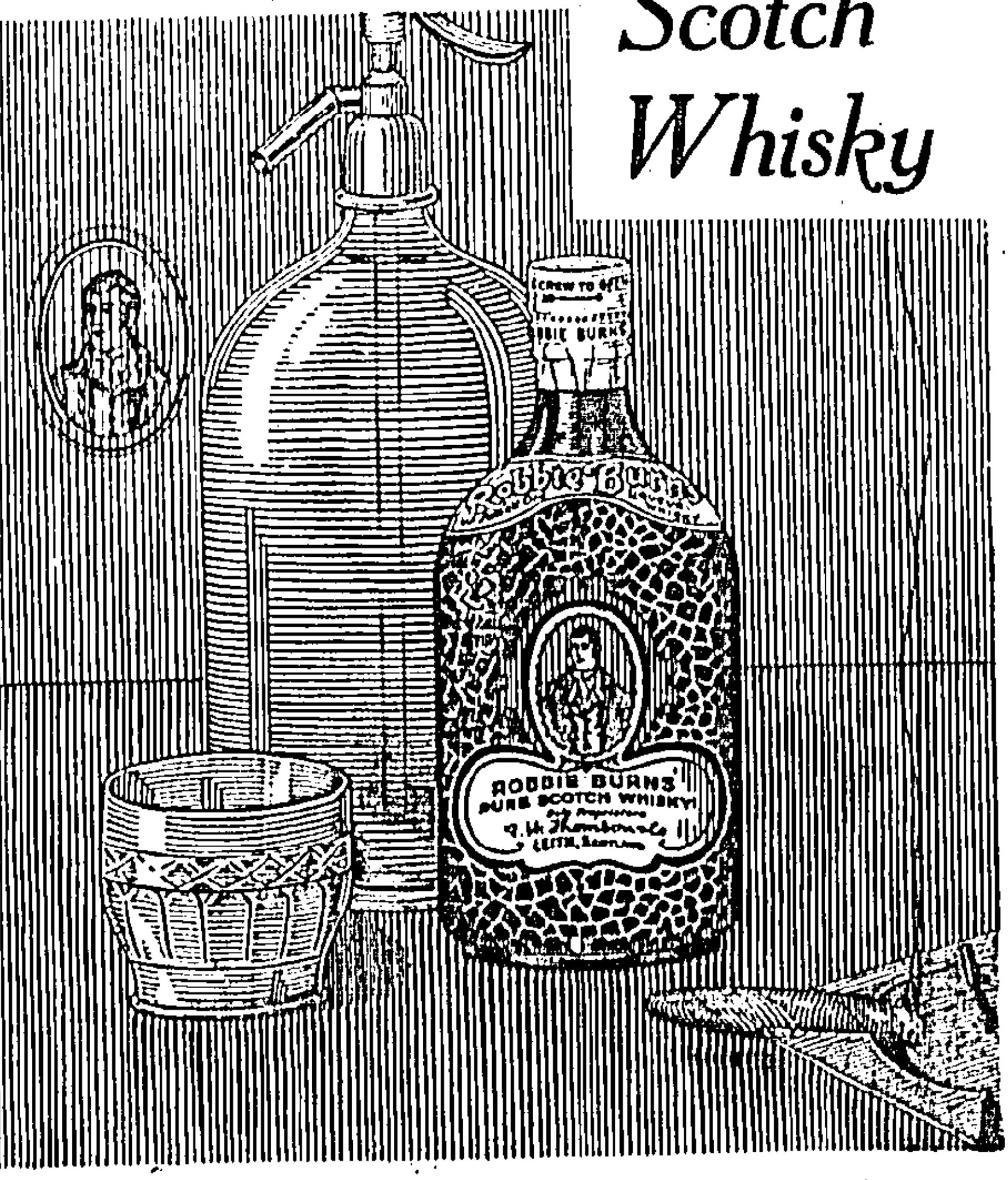
New Money Plan

Briefly my suggestions are that (1) Long term loans on a fixed interest basis should be altered to an insurance annuity basis. The immediate interest can be increased say to 6 per cent, but the capital should be subject to an annual decrease of say 1% per cent. At the end of 60 years the investor will have received in income 4½ times his investment, but his capital would have dwindled to zero. He will by then have been fully compensated for his investment and no longer have a claim to an annuity.

(Continued on Page 15)

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"HONG KONG", The Hub Of The Orient
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Come and see your friends in this beautiful technicolor short.

S.C.A.A. v THE CORINTHIANS.

ALTHOUGH SOUTH CHINA A.A. DID NOT BEAT THE CORINTHIANS, THEIR SUPPORTERS PLAYED MAGNIFICENTLY. THEY EVEN WENT TO THE TOP OF MT. CAROLINE TO SHOUT THEIR ENCOURAGEMENT, BUT—

THE STAR ATHLETIC TURN WAS THEIR LOUD-SPEAKER. IT STARTED OFF DOING GREAT WORK—AND WHEN S. CHINA NEARLY SCORED, ITS ENTHUSIASM KNEW NO BOUNDS.

THE SEATING ARRANGEMENTS WERE GOOD—THE SEATS BEING LETTERED A.B.C.D.E. ETC., THERE WAS NO L. HOWEVER, WE KNEW THE CORINTHIANS WOULD GIVE US THIS.

IT SUFFERED A DECIDED SHOCK HOWEVER WHEN THE CORINTHIANS SCORED. AND THE LAST WE HEARD OF IT WAS THAT IT HAD GONE DECIDEDLY FLAT, BUT WAS CROAKING FOR AN EQUALIZER.

STAN HILL 1938.

ON THE AIR TO-NIGHT

Brahms Concerto In B Flat— Artur Schnabel

10-11 a.m.—Relay of Morning Service from St. Joseph's Church.
11 a.m.—12.15 p.m.—Relay of Morning Service from St. Paul's Church (Chinese).
12.15 p.m.—Mendelssohn's Compositions.
Concerto in E Minor, Op. 64.
Fritz Kreisler (Violin) and The State Opera Orchestra cond. by Dr. Leo Blech.
O Woodlands Fair.
Richard Tauber (Tenor).
A May Breeze, Fritz Kreisler (Violin). Piano accomp. by Arpad Sander.
I'm A Romancer (from 'Son And Stranger')... Malcolm McEachern (Bass).
Song Without Words—F Major.
Hunting Song, Molschewitz (Piano).
Benedict.
1 p.m.—Local Time Signal and Weather Report.

1.03 p.m.—New Light Symphony Orchestra.
Zampa—Overture (Herold).
Serenade Mauresque, Op. 10, No. 2 (Elgar).
Intermezzo (Coleridge-Taylor).
Prelude (Haydn Wood).
"Princess Ida"—Selection (Sullivan).
1.30 p.m.—Reuter and Rugby Press; Weather Forecast and Announcements.
1.40 p.m.—Puccini's 'Madam Butterfly' Act 1. Sung by M. Sheridan (Sopr.), Mannarini (Mezzo-Sopr.), Cecil (Ten.), Galli (Ten.), Weinberg (Bar.), Gelli (Bass), Masini (Bass) with Members of La Scala Orchestra and Chorus, Milan, conducted by Carlo Sabajno.
2.30 p.m.—Close down.
6.7 p.m.—Chinese Programme.
7 p.m.—Muriel Brunskill (Contralto) and Dennis Noble (Baritone).
Silent Worship (from 'Polem')—Handel—arr. Somervell).
I Bless The Dawn That Brought Me You (Glanville & Haydn Wood).
Passing By (Herriek & Purcell).
The Gentle Maiden (Boulton, Somervell).
Songs of the Hebrides—In Hebride Seas (Kennedy-Fraser).
Kishmool's Galley (Kennedy-Fraser).
The Banks Of Allan Water (Old Scottish Ballad).
Muriel Brunskill.
7.27 p.m.—Debrussy—Prelude Suite. Played by the Symphony Orchestra conducted by Piero Coppola.
7.40 p.m.—Studio—Debrussy Programme by A. T. Lay (Piano).
1. 'The Children's Corner'—Doctor Gradus ad Parnassum.
2. Bruyeres (from 'The Preludes').
3. 'L'Enfant Prodigue'—Prelude.
4. Iere Azabesque.
5. Ballade.
8 p.m.—Local Time Signal and Weather Report.
8.03 p.m.—Mark Weber & His Orchestra.
Forest Idyll (Esslinger).
The Hermit (Clemens Schmalstich).
From Offenbach's 'Samble Box' (Fantasia).
Fantasia On The Song 'Long, Long Ago' (Dittrich).
Village Swallows From Austria (J. Strauss).
8.30 p.m.—London Relay—A Recital by Norman Menzies (Australian Baritone).
Love me or not (Arne).
Love in thy Youth (Howard).
False Phillis (Anon., arr. Lane Wilson).
Ships of Arcady (Michael Head Moonlight (Roger Quilter).
Yarmouth Fair (Peter Warlock).
8.45 p.m.—Orchestral.
Ave Maria (Meditation) (Bach-Gounod).
Ave Maria (Schubert)...Dol Daur & His Salon Orchestra.
Divertissement (Tchakowsky).
Variations from the Ballet 'Sleeping Beauty'...Orchestra Symphonique (of Paris) cond. by J. E. Szyfer.

9 p.m.—Reuter and Rugby Press; Weather Forecast and Announcements.
9.10 p.m.—Brahms—Concerto In B Flat Major, Op. 83. Played by Artur Schnabel (Piano) and The B.B.C. Symphony Orchestra conducted by Sir Adrian Boult.
10 p.m.—Eddie Ackland (Contralto) and Albert Sandler and His Orchestra.
I Want Your Heart (Haydn Wood) Masquerade (Loeb)...Orchestra. A Summer Night (A. Goring Thomas).
The Great Awakening (Johnstone & Kramer)...Essie Ackland. Because (d'Hardelot).
A Little Love, A Little Kiss (Sileau).
Tears (Uhr).
Indiana Sweetheart (Hansen).
10.30 p.m.—Close down.

Please, Professor!

(Continued from 14)

anal tribute from the state, company or community. The loan has come to the end of its limited term of life. (See Note A).
(2) Share capital should receive a higher rate of interest, but the life of the share should be fixed arbitrarily by law. This term of life should have a fixed relation to the return received by the share-holders.

FIXED RATES

Let us say that, after setting aside the usual reserves as at present, the fixed rate of interest to the share-holders is 10 per cent. It is proposed that the excess earnings, or surplus profits, be allocated 25 per cent. to the share-holders and 75 per cent. to the workers in proportion to the value of their services during the period fixed. There would thus be some inducement to invest in shares as compared with loans. The rate of interest and of bonus could vary with the risk.

The workers could use their profits to buy eventual control of the company, or in adding to their effective buying power, which would add to prosperity by developing home markets.

(3) All land (not buildings etc) should be owned by the community or government. Long term leases could be granted with option of renewal. Rentals could be re-assessed periodically, increased if public funds had been used for improvement of the neighbourhood. As things are, private owners would have to be bought out with long term bonds.

(4) The changes should be made only after due notice of several years, and must not be so rapid or so great as to put the economic machine out of gear.

VESTED INTERESTS

Note (A) In the case of suggestion (1) the benefit to the community would arise in the case of government loans in a relief to taxation. Are we not still, perhaps, paying for the Napoleonic war loans? In the case of company loans industry would not be under perpetual tribute to private ownership for worn-out capital goods.
(5) Perhaps the misunderstanding of a new system, which might benefit them, would arouse the opposition of vested interests, and in any case there is always the inertia of the public to overcome.

ANOTHER MARSHAL LIQUIDATED

Moscow, Yesterday.
The appointment of Ivan Fedko as Vice-Commissioner of Defence was only revealed when this title was attached to his name in an article appearing in yesterday's issue of "Pravda."

Marshal Yegorov, until recently Vice-Commissioner, who it is presumed, has been "liquidated," was a Colonel in the old Imperial Russian army and, although he supported the Bolshevik cause in 1918, he did not join the Communist Party until 1930.

He was a close personal friend of Marshal Tuchachevsky, who was "liquidated" recently.

Marshal Yegorov is the fifth Deputy Defence Commissar and the second Soviet Marshal to be executed or removed from office in the Stalinist "purge."—Trans-Ocean.

GERMAN AIRLINE TO BAGHDAD

Berlin, Yesterday.
First passenger airline of the German Lufthansa to extend beyond European frontiers will be established this summer when the route to Baghdad is inaugurated.

An air mail service to Baghdad has been in operation since the autumn of 1937.

It is intended to extend the route beyond Baghdad to Sianfu, and to establish connections there with the Eurasia line—Trans-Ocean.

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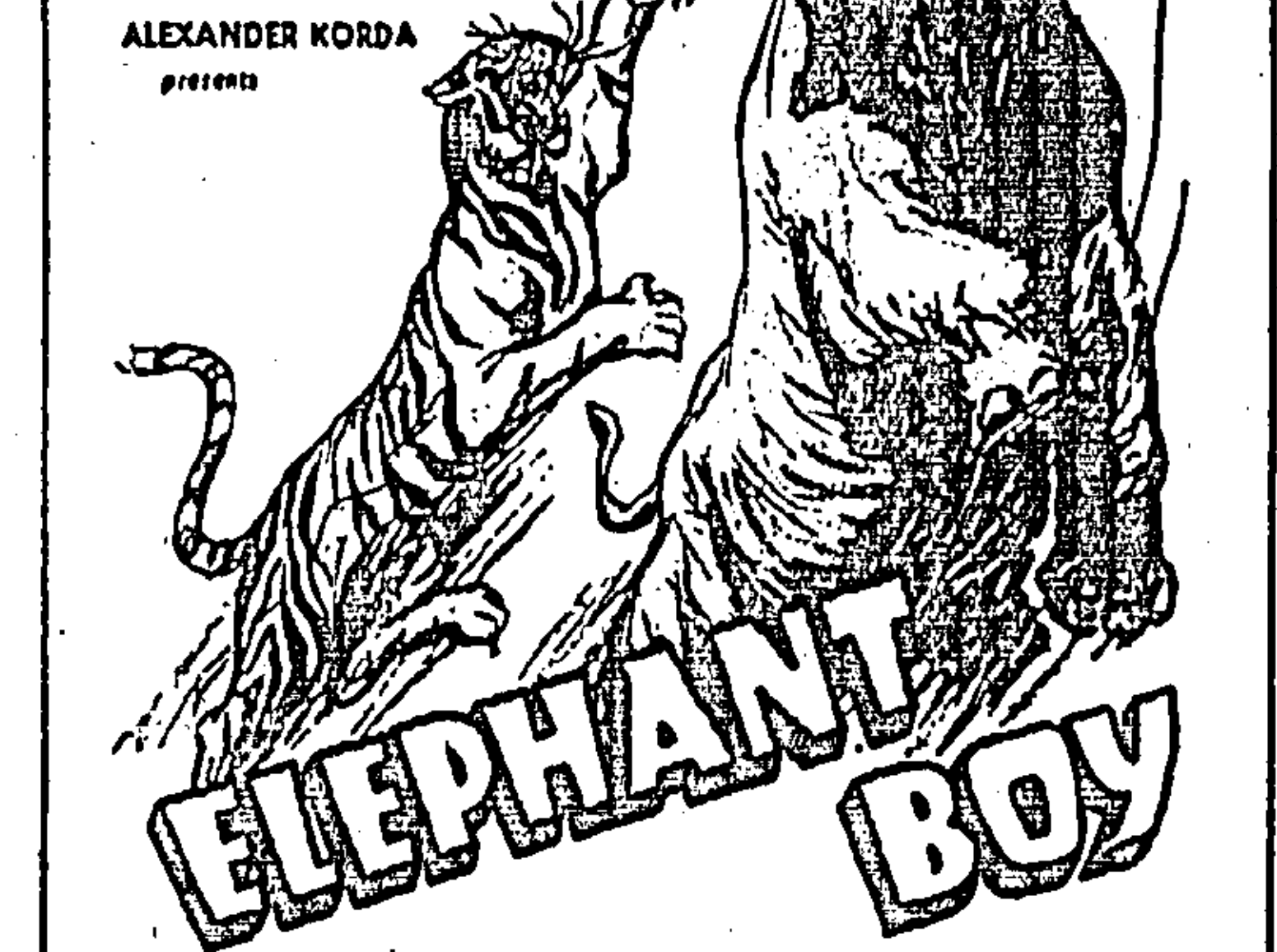
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TAKE ANY TRAIN OR HARRY VALLEY BUS
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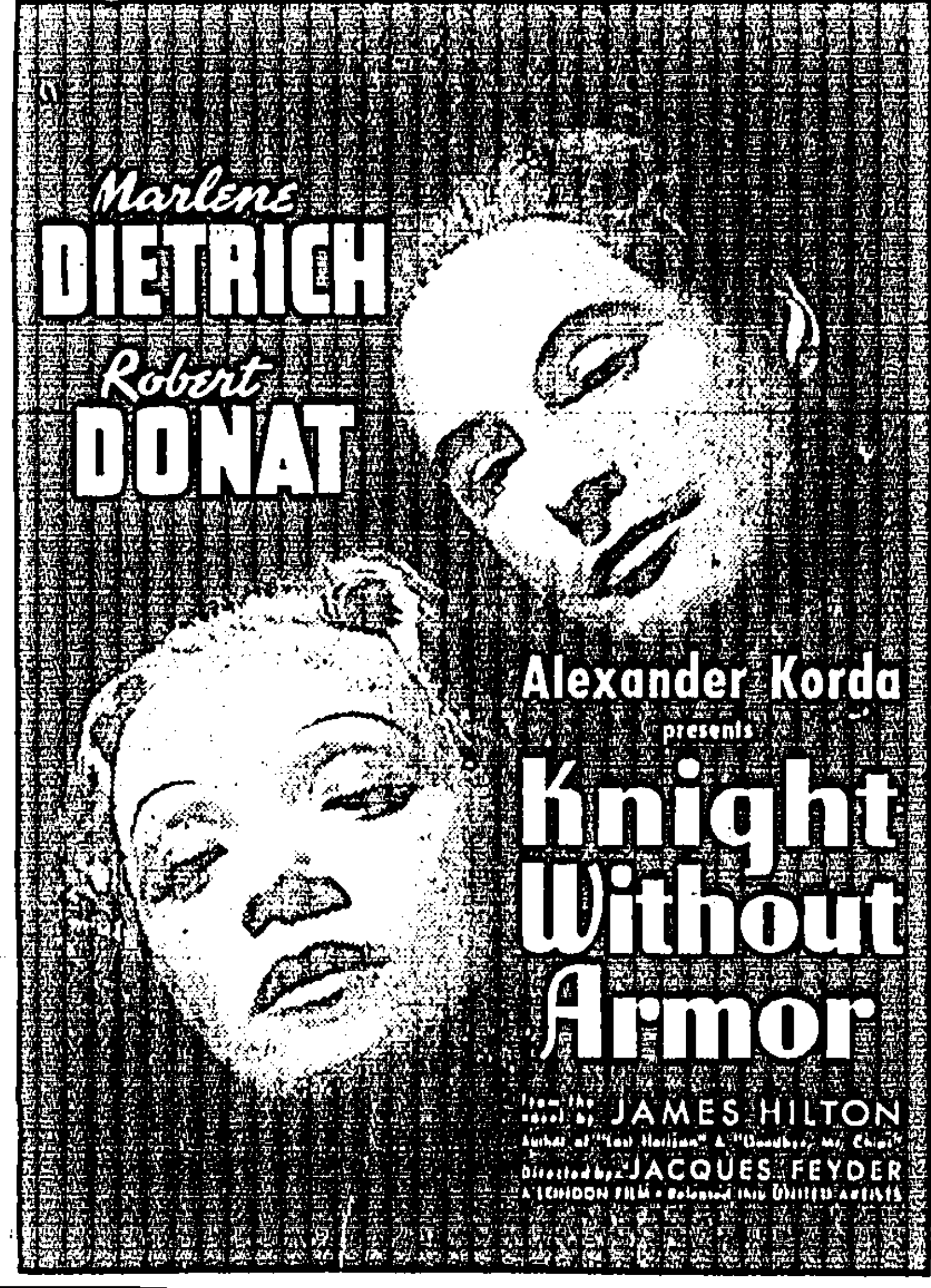
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PIERCE LANE-BUSBY LANE
JOSEPH DAVIS-BOCK AND BUBBLES
Directed by WILLIAM NEWMAN
A Warner Bros. Picture

TUES : Joel McCrea "ADVENTURE IN MANHATTAN"

HOPEFUL NOTE SOUNDED ON FAR EAST CRISIS

Hong Kong And Shanghai Bank Chairman's Survey Of Sino-Japanese War Effects

DANGEROUS TENDENCIES AND PITFALLS

Compensating Factors Apparent EARLY PEACE NEEDED IF DISLOCATIONS ARE TO BE REPAIRED

"It is not easy for us at the present moment to see through the dense forest of gloom in which China and Japan stand. On both sides there are dangerous tendencies and pitfalls. Trade can only flourish when confidence and enterprise go hand in hand."

"If the policy of His Majesty's Government engenders confidence, then the Far Eastern merchant can be trusted to show enterprise," declared Mr. G. Miskin, chairman of the Board of Directors of the Hong Kong and Shanghai Banking Corporation at the annual meeting of shareholders held yesterday at the head office of the Corporation.

"At the moment," he said later, "the outlook is cheerless and it is easy to become depressed." . . . but there are reasons for not regarding the future with too much pessimism. Surveying the Far Eastern crisis, the Bank chairman pointed out that so far from intervening to bring the conflict to an end, the leading Western countries were seen aligned into groups supporting widely opposed theories of government under such conditions, British interests in the Far East might well be pictured as a small item in the sum total of the vast interests of the British Commonwealth.

SIAM AS THE KEYPOINT

"The year started so well and ended so differently . . . The Siam affair was a keypoint in Sino-Japanese relations. The result was an accession of strength to those Chinese who, rightly or wrongly, saw no hope of co-operation with Japan and advocated a policy of stern resistance to aggression . . . In China itself there were signs of stability and progress such as had not been apparent for many years . . . It is doubtful if the cloud could have been dissipated even with the best will in the world . . . Accumulations of aggravations made it almost inevitable that a storm would have to take place before the air could be cleared.

Discussing trade prospects, Mr. Miskin suggested that the catastrophe was perhaps magnified in the eyes of many, adding that while the effect of continued hostilities would be serious, there would be adjustments. A loss in one place would become a gain in another and there was no reason to be too despondent.

PEACE SHOULD NOT BE DELAYED

"It is, however, of the greatest importance that peace on reasonable terms should not long be delayed. Otherwise the dislocations will be less easily repaired."

Mr. Miskin urged that as an international trustee Sir Frederick Maze must be given international support in preserving the integrity of the customs administration, and that the times call for a strengthening rather than a weakening of the present Municipal Council administration in the International Settlement. He drew attention to the fact that the "Open Door" in Manchukuo is almost a thing of the past.

The Chairman said:—Ladies and Gentlemen.—Since our last Annual Meeting, a Knighthood has been conferred upon Sir Vandeleur Grayburn by His Majesty the King.

During a period of unprecedented difficulty Sir Vandeleur has been both a tower of strength to the Bank and a wise and able counsellor in the financial affairs of the Colony. I am sure that you will join me in congratulating him very warmly upon the well-deserved honour which he has received.

The Report and Statement of Accounts—having been in your hands for the required period, I will, with your permission, take them as read.

BANK'S PROFIT

After making full provision for all known losses and contingencies, the net profits for the year amount to \$15,432,216.84 to which must be added \$3,340,789.84 brought forward from last year.

After deducting the interim dividend of £400,000 paid at 1/25/8 and Directors' remuneration, there remains available for distribution \$12,127,542.35 which it is proposed to deal with as follows:—

To pay a final dividend of £3 per share (subject to deduction of income tax)	\$7,744,537.82
Transfer to Bank Premises	1,000,000.00
Carry forward to New Account	3,383,004.53
	\$12,127,542.35

The figures of our Balance Sheet have been converted at 1/27/8, the same as last year, so a comparison is an easy matter once more.

NOTE ISSUE

The principal change in our note issue which has increased by some \$73,123 million and is shown this year in two amounts, while on the other side Hong Kong Government Certificates of Indebtedness show as

be pictured in the eyes of His Majesty's Government as only a small item in the sum total of the vast interests of the British Commonwealth of Nations. Nevertheless, the indications are that the importance of the Far Eastern question is fully realized, and very welcome was the statement issued last August at a critical time in Shanghai which formally promised "all possible measures to protect British lives and interests" at that period. We feel confident that when necessary and in face of every difficulty we can count on support for our legitimate interests.

WORDS OF WARNING

Few years have seen such contrasts as the past year in China and it is a sad task to net about reviewing the political situation there during 1937. The year started so well and ended so differently. In each of the past few years your Chairman has uttered words of warning about the dangers inherent in the present factory political relations between Japan and China. Last year your Chairman stated that relations with Japan dominated the political scene. He mentioned that negotiations between the two countries were, when he spoke, in suspense as a result of the Sian incident when General Chiang Kai-shek was kidnapped. That affair, it now appears, was a key-point in Sino-Japanese relations. The result was an accession of strength to those Chinese who, rightly or wrongly, saw no hope of co-operation with Japan and advocated a policy of stern resistance to aggression.

The subsequent meeting of the 3rd Plenary Session of the Central Executive Committee last February confirmed that line of action which had already been made one of the main planks in the policy of the Kwangsi leaders and of the Communists. From that time on it seems that the influence of those who wished for compromise and delay gradually won out. An understanding was reached with the Communist army and the way was prepared for action by a united China as soon as the need should arise.

EARLY HOPES

You will remember that early in the year the liberal and friendly tone of the utterances of General Hayashi, then the Japanese Prime Minister, and of Mr. Sato, his Foreign Minister, caused a feeling of optimism in regard to the development of relations between the two countries. In China itself there were signs of stability and progress such as had not been apparent for many years. The outlook was, in fact, hopeful though we were aware that the cloud of Sino-Japanese distrust still hovered in shadow on the horizon. It is doubtful if this cloud could have been dissipated even with the best will in the world. An accumulation of aggravations made it almost inevitable that a storm would have to take place before the air could be cleared. I do not propose to detain you with any comments about the causes and origins of the war (let us be frank and call it war outright). Our Bank is in a delicate position because of its interests in all parts of the Far East, and at critical times like these the old proverb "least said soonest mended" proves its aptness.

The easy and rapid transmission of news from one end of the world to the other is sometimes a mixed blessing. Too many spokesmen are in fact quite as bad as too many cooks.

REMARKABLE FIGURES

Let us turn from politics to trade. You all know how promising the situation was during the first half of the year. Prices were rising, the improvement in communications by rail, road and air was opening up the country more and more, the standard of living was improving owing to good crop conditions in the interior as well as the greater demand for export products. Furthermore, exchange, both internal and external, had never in our time remained for so long a period with such small variations. Proof of this satisfactory state of affairs can be seen in the Chinese Customs returns. At the end of July exports had increased 45% and imports 36% as compared with the same period in 1936. Later imports and exports of course fell off, the former more than the latter, but it is remarkable that the end of the year the import and export figures together yet showed an increase of approximately 9% over 1936.

The political barometer is still too low to warrant a forecast of fine weather for merchants in the near future.

In Central China the channels of foreign trade are now expected to never before since the opening of the treaty ports. Yet, may I be so bold as to suggest, that for this very reason the catastrophe is perhaps magnified in the eyes of many. If, as is likely, the Yangtze Valley continues to suffer throughout the spring and summer, the effect on trade in general will naturally be serious, but there will be adjustments. A loss here will become a gain there, and I do not think it necessary to be too despondent.

RECUPERATIVE POWER

We shall have to wait a time for a real recovery, but the recuperative powers of both Japan and China are great, and will, in due course, be

sure. Even now we see how China's misfortunes are leading to developments in the Western provinces which might otherwise have been unattempted for decades. It is, however, of the greatest importance that peace on reasonable terms should not be long delayed. Otherwise the dislocations will be less easily repaired; there will be the danger of other countries becoming involved, while only combatants may be driven into desperate expedients which will deadlock all trade.

Meantime we extend our deepest sympathy to the sufferers in the war areas where the conditions have not been paralleled since the Taping Rebellion some 80 years ago. Distress is also great in the foreign communities. The Lord Mayor's Mansion House Fund gave help at a most opportune moment, but further help is needed and the International Red Cross organizations at Shanghai and Hankow also deserve liberal support. I should further like to express a word of sympathy to the relations of the members of the British forces who lost their lives while serving at Shanghai, and to Sir Hugh Knatchbull-Hugessen at his misfortune of having seriously wounded when travelling from Nanking to Shanghai on official duty.

CHINA'S CURRENCY

At a time like the present, for obvious reasons it is impossible for those outside Government circles to make any reliable statement of the currency and financial position of China, or for that matter of Japan. Wartime conditions prevail and must be faced with a realization of the dislocations which they mean. However, due credit must be given to those who have directed China's foreign exchange market during the year.

Stability has been maintained, and in fact during the early part of the year, as threats of "unorthodox" financial experiments were ward off, the new currency gained in strength and confidence. Merchants showed increasing confidence.

There was, of course, valuable co-operation on the part of foreign banks. Moreover, a number of factors assisted towards equilibrium in the balance of payments: commodities at present were still rising; there had been two years of bumper crops; internal conditions were quieter than for some time; the opening-up of the country was increasing the circulation of banknotes; arrangements for the formation on sound and modern lines of a central bank were well advanced, and a bank system at budget control had been initiated. Such was the situation when in July the first signs of a serious conflict were seen. In August, when the fighting broke out at Shanghai and soon fell in the business centre of the Settlement, it was necessary to take steps to prevent a panic, so restrictions were placed on the withdrawals of deposits in the Chinese banks.

These measures were supplemented by what is known as the Wei-Wah or blocked currency system, which permitted the constituents of the Chinese banks to transfer funds from one blocked account to another by means of Wei-Wah cheques or orders. This proved effective in preventing any large-scale panic flight from the currency though it was subjected to pressure for some time. Gradually the demand for foreign currencies declined appreciably and at the end of the year the problem was no longer so serious.

SILVER INTEREST

China's interest in silver remains dependent on its conversion into a currency reserve fund in gold or foreign exchange. Thus, during the year, large amounts of silver were shipped from Hong Kong to foreign countries on account of China. Last summer Dr. H. H. Kung made an arrangement with Mr. Morgenthau for the re-marketing of gold against Chinese silver. This was supplementary to the agreement of May 1936 under which the United States Treasury had already arranged to purchase regular and substantial amounts of silver from China and to provide facilities in United States dollar exchange for currency stabilization purposes.

No official figures are available to show what funds in gold or foreign exchange are held by the Chinese Government, and while abnormal conditions prevail we can hardly expect progress to be made in the publication of reliable statistics.

LOAN SETTLEMENTS

At the beginning of 1937 the Chinese Government was still negotiating for a readjustment of certain foreign debts. In April the London Bondholders' Committee, constituted to deal with such questions, recommended the acceptance of terms for a settlement of the Hu-Kwang Railways Loan similar to those already adopted in readjustment of the Tsinghai-Pakow Railway Loans. Two United States dollar loans were also put on a new basis, namely the Chicago Bank Loan and the Pacific Development Corporation Loan, both dating from 1919. Furthermore, the good work of settling up the outstanding advances and material debts to Government departments proceeded satisfactorily.

The conclusion of agreements regarding the Chinese Government loans in 1937 and the improved outlook in China which I have already referred to, had a favourable effect on Chinese loans quoted on the London Stock Exchange and it was thought, early in the year, that it might shortly be possible to bridge the hiatus in the London issues of Chinese loans which had existed

since the Reorganization Loan of 1913. The Minister of Railways first initiated discussions regarding the possible flotation of loans for new railway construction in China. Subsequently, when Dr. Kung was in London for the Coronation ceremonies, negotiations for the building of a railway from Canton across Kwangtung to Melhien made progress.

NO AGREEMENT

At the same time Dr. H. H. Kung also branched the subject of a loan to be used partly to provide additional assistance in the stabilization of the Chinese currency and partly for the refunding of a portion of the domestic debt. We were consulted about this matter but no agreement was reached. We were, and are, bound by the agreement of 1920 between the International Consortium Group of banks, so we naturally sought the views of the other groups in regard to both these projects. They of course had to be left in abeyance when the Sino-Japanese conflict commenced.

CUSTOMS INTEGRITY

The Chinese Customs Revenue in 1937 amounted to no less than \$342 millions, an increase of \$18 millions over 1936, thanks to the excellent start given in the first 7 months of the year. You are aware that negotiations are proceeding in regard to the Customs tariff and administration in the areas controlled by the Japanese forces. It is hardly necessary for me to emphasize how important it is that the Customs Administration should remain as now constituted, and continue to be the sole instrument controlling Customs affairs throughout the whole country.

The present administrative system has withstood political upheavals and civil strife over many years and the maintenance of its existing status and credit is unquestionably to the advantage of both China and Japan, in order that in due course the refinancing and rehabilitation of the country may proceed smoothly.

I am glad to say that repeated assurances have been given by the Japanese that the foreign loans will be respected. Sir Frederick Maze is in a difficult position. He is an official of the Chinese Government, but as Custodian of the revenues earmarked for the service of import and foreign loans he has certain responsibilities which are of an international nature. Bondholders of all countries look to him to steer a course between strongly conflicting currents. We are confident that

with his customary tact and political sagacity he is doing his utmost to preserve the integrity of this important administration. As an international trustee he deserves international support. The foreign powers have in the past brought their influence to bear under similar circumstances and they are, we understand, doing so now, particularly as the retention of the "Open Door" in China depends a good deal on the continued existence of an international Customs Administration such as exists at the present time.

SALT REVENUE

The Salt Revenue in 1937 is reported to have been very much the same as in 1936 owing to further increased taxation, but the Salt Administration has unfortunately failed to maintain its control over the North China Salt area. This Administration has been in the situation of an ugly duckling alongside the favoured Customs, and it has therefore been rather neglected by its foster parents, the international powers. Nevertheless it is important that the Customs & Salt should be treated on an equivalent basis, as the arguments used in the one case apply also in the other. The outstanding foreign loans secured on the Salt Revenues require a comparatively modest annual result of funds and the revenues collected should continue to be ample for these requirements.

It is satisfactory to be able to note that, in spite of the war, the National Government has continued regularly to pay the foreign loan obligations secured on the Customs, Salt and Railways.

SHANGHAI STATUS

Before I pass on to deal with other countries in which we operate, you will expect me to say something about Shanghai since its status is likely to be a prominent subject once again in coming months. This is a matter which is of very great importance to all foreign business interests in Shanghai. We have seen the neutrality of a part of the International Settlement violated during the recent fighting. This would probably have been avoided if intervention had taken place in the early stages and thereby much loss of life and property might have been saved. The value of the existing Settlement regime cannot be questioned; one has only to visualize the situation had there been no Settlement at all to get justification for its continuance in an unimpaired form.

If and when the Powers are prepared to negotiate and agree upon

some new regime for Shanghai, then of course the situation will be altered, but in the meantime it seems to me and to your Directors that, as a result of the recent events at Shanghai, we have sufficient cause to call for a strengthening rather than a weakening of the present Municipal Council Administration.

There should, moreover, be guarantees which will ensure the strict observance of neutrality in regard to its boundaries. The difficulties of this Shanghai problem are immense, but they deserve the close attention of the Powers whose responsibility it is to obtain at any rate a satisfactory *modus vivendi* if an agreement on a permanent basis cannot be found just yet.

And now to turn away from China:

IN HONG KONG

Here in Hong Kong we have been fortunate in that the misfortune of China have not so far had any ill-effects on the Colony. In fact, many of our local industries have made satisfactory progress during the year. It is however certain that for real and lasting prosperity the Colony must rely upon normal and sound trading conditions in China and the present struggle is therefore being watched with much anxiety. In Japan foreign trade has continued to increase in value. The excess of imports was at one time unusually high, but the imposition of stricter import controls effected a reduction and the year ended, according to the published returns, with the adverse balance somewhat over Yen 600 millions. The war has of course brought in its train abnormal conditions in trade and finance and the future must be largely dependent on the outcome of events in China.

"OPEN DOOR" CLOSED

In Manchukuo the expansion of trade figures has continued and there are indications that the opening-up of communications, coupled with several years of normal trade, is increasing the purchasing power of the people. State monopolies and supervision or control of industries and exchange are however making things increasingly difficult for foreign merchants and the "Open Door" is now almost a thing of the past. In the coming year the question of extraterritoriality will have to be faced by the foreign powers with interests in the country.

World trade conditions, and especially conditions in the United States, affect in a varying degree trade in all the countries of the East. Thus fairly optimistic reports from

(Continued on Page 20)

YOUR TEETH SO MUCH WHITER

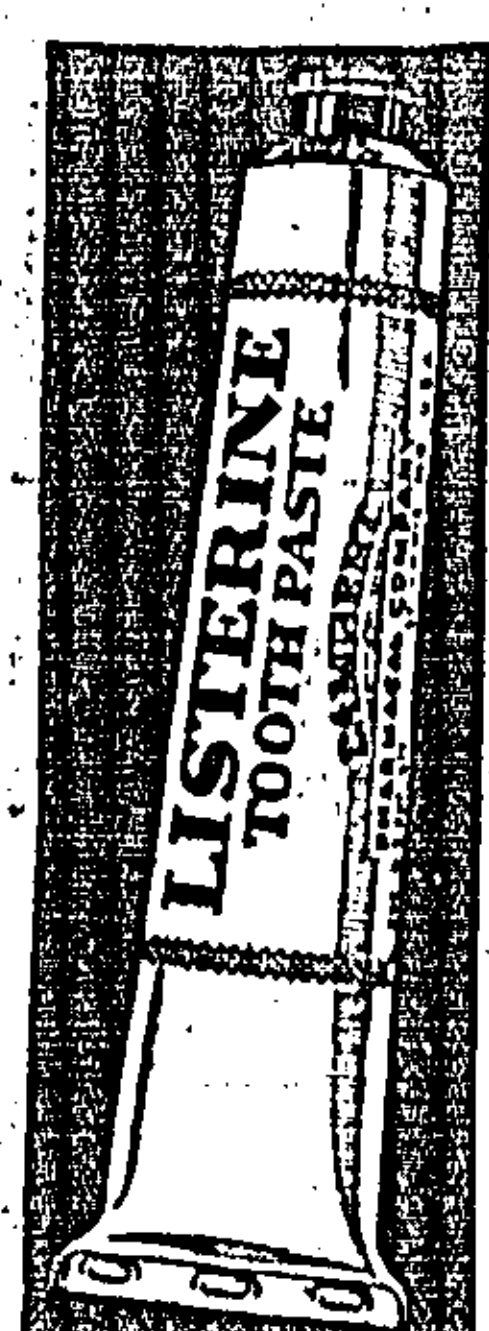


YOUR BREATH SO MUCH SWEETER

Listerine Tooth Paste brings a new pearly whiteness to teeth in a remarkably short time. Its special cleansing and polishing agent, harder than tartar, yet softer than tooth enamel, quickly and safely removes film, stains, discolourations—reveals the teeth in all their natural beauty.

You will like the pleasant taste of Listerine Tooth Paste too. No soapy taste—just the clean, refreshing taste you associate with Listerine Antiseptic itself. It sweetens the breath, leaves a feeling of mouth freshness and exhilaration that is truly delightful.

Try Listerine Tooth Paste for yourself. Buy a tube today; brush your teeth with it night and morning for the next 30 days. See how much whiter, brighter your teeth will be. Once you have used Listerine Tooth Paste you will never be satisfied to go back to the use of old-type dentifrices again.



LISTERINE TOOTH PASTE

STRATHROY WINS AUSTRALIAN CHAMPIONS IN GREAT STYLE

Cleverly Ridden By Don. Black

LOUIS XIV FULLY EXTENDED IN SUBS CHAMPIONS

MR. ENCARNACAO WINS JOCKEY HONOURS

THE 1938 Annual Race Meeting was concluded yesterday at the Valley in perfect weather, the final day (Children's Day) having attracted a crowd almost as big as was present for the Derby last Monday. Racing was again very keen, but there was only one big dividend, Laughing Girl paying \$75.00 for its win, while the "Double" — Derby Day and Laughing Girl — paid \$131.60.

Cash sweeps, however, reached record proportions, one \$1.00 sweep paying \$3,885.00 to the winner and the \$2.00 sweep \$7,420.00.

HOW JOCKEYS HAVE FARED TO DATE

	1st.	2nd.	3rd.	4th.
C. Encarnacao	9	7	2	10
V. V. Needa	8	5	6	19
H. Maitland	7	10	5	13
S. W. Tang	5	2	4	20
J. Pote-Hunt	5	1	2	32
H. C. Pih	1	0	0	2
R. Marshall	3	7	5	10
B. A. Proulx	2	4	1	13
B. L. Tao	2	3	5	17
D. Black	2	2	2	21
S. C. Liang	1	3	1	14
A. Needa	1	2	1	9
K. S. Shu	1	0	2	13
L. B. Chao	1	0	1	8
L. P. Ralph	1	0	1	8
S. L. Yuen	1	0	1	8
W. H. S. Davis	0	1	1	17
C. L. Gregory	0	1	1	18
A. W. Raymond	0	0	2	17
Y. K. Woon	0	0	2	21
W. G. Poy	0	0	2	21
K. L. Ip	0	0	1	11
R. P. Yung	0	0	1	11
S. N. Pan	0	0	1	11
Tang Man Wa	0	0	1	11
A. D. Coppin	0	0	0	3
P. A. Fishbourne	0	0	0	3
B. L. de Robeck	0	0	0	3
D. R. A. Spreckley	0	0	0	5
C. E. W. Scott	0	0	0	8
T. W. Chattey	0	0	0	12
Y. T. Fung	0	1	0	12

Mr. C. Encarnacao, who secured a first and a second in two starts yesterday, carried off the Jockey Championship from Mr. V. V. Needa, while Mr. Eu Tong-sen headed the owners' list by a comfortable margin.

Mr. Tang's Louis XIV, ridden by himself, was given a rare fright in the final, when he was overtaken by the four longshots, reversing the tactics that had proved so disastrous in the Melbourne Cup. Mr. Black was content to run last in a field of six until reaching the Rock, when he secured a lead of four lengths at the distance of a mile, and was slow to follow Strathroy and as a result was hotly challenged by Blandford (Mr. Maitland) and Lancashire Chips (Mr. Proulx). It, however, beat Blandford by half a length and Lancashire Chips just failed to make it a dead-heat third.

Results were as follows:

1. — THE NIL DESPERANDUM STAKES. — (First Section). — One Mile.

Wong Si Ngu's Salvage Man, 158 lb., (D. Black) 1
Lucky's Lucky Even 158 lb., (C. Encarnacao) 2
H. and H's Fei Ying 158 lb., (F. Marshall) 3

2. — THE FLEMINGTON PLATE. — From the 1 1/2 Mile Post (About Half Mile 170 Yards).
Dr. S. N. Chau's Derby Day 155 lb., (S. W. Tang) 1

3. — THE GRIFFINS SPRING HANDICAP. — One Mile.
Eve's Humdrum Eve 158 lb., (W. H. S. Davis) 1
Lancashire's Lancashire Lass 161 lb., (S. C. Liang) 2
Also ran: — Hamlet, 154 lb., (K. S. Shu); National Defence, 151 lb., (H. C. Pih); and Rose Jane, 147 lb., (W. G. Poy).

4. — THE PHAETHON HANDICAP. — About One Mile 171 Yards.
Henry's Laughing Girl 159 lb., (S. C. Liang) 1
Faytor's Royal Consort 168 lb., (K. S. Shu) 2
Miss Scott Harston's Valorous 160 lb., (V. V. Needa) 3

5. — THE PROFESSIONAL CUP AND SUBSIDIARY GRIFFINS' CHAMPIONS. — 1 1/2 Miles.
S. W. Tang's Louis XIV 161 lb., (S. W. Tang) 1
C. N. K's Desert Star 155 lb., (V. V. Needa) 2
Hollandia's Piet Hein 155 lb., (L. B. Chao) 3

6. — THE HAPPY VALLEY SPRING HANDICAP. — "A" Division.
About One Mile 171 Yards.
L. Reidy's Soldier of Honour 163 lb., (J. Pote-Hunt) 1
Eve's Havoc Eve 149 lb., (F. Marshall) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

7. — THE HAPPY VALLEY SPRING HANDICAP. — "B" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

8. — THE AUSTRALIAN PONIES CHAMPIONS. — 1 1/4 Miles.
J. F. Macgregor's Strathroy 152 lb., (D. Black) 1
J. E. D's Electron 155 lb., (V. V. Needa) 2
Eu Tong-sen's Blandford 152 lb., (H. Maitland) 3

9. — THE HAPPY VALLEY SPRING HANDICAP. — "C" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

10. — THE HAPPY VALLEY SPRING HANDICAP. — "D" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

11. — THE HAPPY VALLEY SPRING HANDICAP. — "E" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

12. — THE HAPPY VALLEY SPRING HANDICAP. — "F" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

13. — THE HAPPY VALLEY SPRING HANDICAP. — "G" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

14. — THE HAPPY VALLEY SPRING HANDICAP. — "H" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

15. — THE HAPPY VALLEY SPRING HANDICAP. — "I" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

16. — THE HAPPY VALLEY SPRING HANDICAP. — "J" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

17. — THE HAPPY VALLEY SPRING HANDICAP. — "K" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

18. — THE HAPPY VALLEY SPRING HANDICAP. — "L" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

19. — THE HAPPY VALLEY SPRING HANDICAP. — "M" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

20. — THE HAPPY VALLEY SPRING HANDICAP. — "N" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

21. — THE HAPPY VALLEY SPRING HANDICAP. — "O" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

22. — THE HAPPY VALLEY SPRING HANDICAP. — "P" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

23. — THE HAPPY VALLEY SPRING HANDICAP. — "Q" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

24. — THE HAPPY VALLEY SPRING HANDICAP. — "R" Division.
About One Mile 171 Yards.
Diamonds' King 161 lb., (S. C. Liang) 1
C. B. Brown's Amberley 140 lb., (J. Pote-Hunt) 2
Lan's Cassack's Beauty 168 lb., (H. C. Pih) 3

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Race 2 \$2065.00
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Race 3 \$3060.40
No. 5497 874.40
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Race 4 \$2983.00
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Unplaced runners (\$50 each), Nos. 4969, 5359, 2734, 492, 5187, 4487, 4482, 5019, 6149.

Race 5 \$3424.40
No. 3983 3663 480.20
Unplaced runners (\$50 each), Nos. 4743, 4728, 4108, 4600.

Race 6 \$3297.00
No. 4723 942.00
Unplaced runners (\$50 each), Nos. 5476, 3161, 514, 5056, 6932, 4155, 1466, 6288, 5591, 6454, 6534, 1305, 1204, 4946, 3227, 1777.

Race 7 \$3612.00
No. 6847 1032.00
Unplaced runners (\$50 each), Nos. 4326, 630, 3508, 5567, 6332, 6015, 1639.

Race 8 \$3885.00
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Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 9 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 10 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 11 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 12 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 13 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 14 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 15 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 16 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 17 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 18 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 19 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 20 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 21 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 22 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 23 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 24 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 25 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 26 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 27 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 28 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 29 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 30 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 31 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

Race 32 \$110.00
No. 3620 1110.00
Unplaced runners (\$50 each), Nos. 621, 476, 1657.

Race 33 \$7420.00
No. 3502 2120.00
Unplaced runners (\$100 each), Nos. 1101, 6610, 3052, 7197, 6372, 5650, 5877.

ADVENTURE BEAT CLUB IN SCRAPPY ENCOUNTER

ROUGHEST RUGBY MATCH THIS SEASON

An incredibly rough and poorly controlled game of Rugby was witnessed on the Royal Navy ground, Causeway Bay, yesterday afternoon, when H. M. S. Adventure beat the Club by three goals and two tries (21 points) to two tries (6 points).

The game started off very promisingly with several fine back movements by both teams, but rough tactics developed among the forwards in the loose and, left unchecked, eventually resulted in several regrettable incidents.

Roadster and Wabham, the Adventure's scrum and stand-off-half respectively, played very soundly behind their pack, while the Crabbe brothers and Martin shone in the ship's pack.

The Adventure's backs gained more ground when in possession than the opposing three-quarter line, and this was probably because Lyle took the ball from Henderson when practically at a stand-still, giving the opposition backs time to cover up.

Walters and Mumford, the Adventure's right-wing three-quarter and right-cent respectively, were always dangerous when in possession, but found Chadwick and

Chadwick opened the scoring in the second half following several assaults on the Adventure's line, when he broke through a score near the corner flag, Olliphant again failing to add the goal-points.

The Adventure went further ahead when Martin broke through after a system run and sold the dummy to MacGrath before the goalposts, and just before the end of the game was sent over the Club line by Wabham for a final try which the latter failed to convert.

H.M.S. Adventure:—A.B. Harvey; Stu. Walters, Mnc. Mumford, Sig. Murray and A.B. Merriman, Lt. Wabham (Captain) and Lt. Roadster; O.A. Dyer, L.S.B.A. Jones, Junc. Dumbleton; Lt. Crabbe, A.A. Crabbe; Sgt. Burton, A.B. Woodfin and C.E.R.A. Hearn.

Club:—W. M. MacGrath; D. H. Stewart, M. C. Caruthers, R. A. Crawford and G. Chadwick; C. W. Lyle and J. R. Henderson; A. W. Holden, J. S. Dunnett, R. G. L. Olliphant; W. E. Peers, A. S. Olsen; J. Redman, N. M. Currie and A. J. C. Taylor.

"A" MATCH CANCELLED

Owing to a last-minute cancellation, the "A" fifteen encounter between the Club and the Royal Scots, scheduled for 3 p.m. on the Navy ground, Causeway Bay, did not take place. The Club players, who turned up in force, contented themselves with kicking a soccer ball round the field.

FANLING DRAG HUNT THIS AFTERNOON

The Fanling Drag Hunt will meet this afternoon at Kitten Hill, commencing at 2.45 p.m.

ST. ANDREW'S TENNIS PARTY

A very enjoyable tennis party was held at St. Andrew's Vicarage yesterday afternoon when the Sunday School teachers connected with the Church were entertained by the Vicar.

Miss J. Wong and Miss N. Barker were the most successful participants and were presented with prizes at the conclusion of the afternoon.

'A' Class started at 14.30

Artemis 16.40.54 1 16
(Mr. C. C. Blake)

True Blue 16.42.23 2 14
(Mr. H. S. Rows)

Gull 16.42.52 3 13
(Mr. John Johnson)

Kittiwake 16.44.26 4 12
(Miss P. M. King)

Eve 16.44.29 5 11
(Capt. E. Bador)

Redbank 16.44.40 6 10
(Capt. R. H. Bower)

Jean 16.44.55 7 9
(Col. G. C. Gower)

Isobel 16.44.56 8 8
(Dr. L. J. Davis)

COLONY TENNIS CHAMPIONSHIPS

This Week's Fixtures

The following are this week's fixtures in the Colony Lawn Tennis Championships and Hong Kong Cricket Club events, held under the auspices of the Hong Kong Cricket Club:

TO-MORROW

OPEN SINGLES

OPEN DOUBLES

TUESDAY

OPEN SINGLES

OPEN DOUBLES

WEDNESDAY

OPEN SINGLES

OPEN DOUBLES

THURSDAY

OPEN SINGLES

OPEN DOUBLES

FRIDAY

CLUB CHAMPIONSHIP

OPEN SINGLES

OPEN DOUBLES

CLUB CHAMPIONSHIP

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SEAFORTH LADIES BEAT RECREIO

BRAWN CUP SURPRISE

Recreio Ladies' aspirations to the runners-up position in the Brawn Cup hockey competition received a rude jolt at King's Park yesterday afternoon when they were beaten by an only goal by Seaforth Ladies, whose steady improvement has been one of the features of the current season.

Seaforth, who were one short throughout, played an aggressive brand of hockey in which their quick tackling and persistent "tackling-back" methods, when robbed of possession, made up for any shortcomings in the way of stickwork and finesse. They surprised their opponents in the first two minutes of the game, when Mrs. Wilmut went through to beat Miss Barrow after the Canadian had partially cleared a hard drive, and they maintained this slender advantage until the final whistle.

In actual fact, although the Portuguese team were not equalled, however, they became over-anxious and as a result committed numerous foolish errors.

DANGEROUS FORWARD

Mrs. Ackroyd, the winners' centre-forward, was a constant source of danger to the Recreio defence. She was yards faster than anyone else on the field, and was quick to grasp any opportunities which came her way. She was adequately supported by Mrs. Wilmut.

In defence, Mrs. Gunby, although she was less sure with her stick than usual, was a tower of strength, whether in defence or attack. Her speedy interceptions and hard clearances broke up many promising attacking movements on the part of Recreio.

Mrs. Jhu, Mrs. Wilkes and Mrs. MacLeod were also stalwart defenders, while Mrs. Mackay, apparently fully recovered from her recent mishap following her game with St. Andrew's, relieved many an anxious situation with well-timed hitting.

Recreio appeared too over-confident and paid the penalty. At the outset they were too short, although it was not during this period that the Seaforths scored their goal, and even after Mrs. Wilmut had netted they still gave the impression that they were fully confident as to the outcome.

BECOME TOO ANXIOUS

As the game progressed and they still had not equalled, however, they became over-anxious and as a result committed numerous foolish errors.

The Misses Ribeiro and Botelho, at back, were fairly reliable, while Miss Silva was sound in the intermediate-line.

Seaforth Ladies:—Mrs. Strachen; Mrs. Mackay and Mrs. MacLeod; Mrs. Jhu, Mrs. Gunby and Mrs. Wilkes; Mrs. Thomson, Mrs. Wilmut, Mrs. Ackroyd and Mrs. Hamilton.

Recreio Ladies:—Miss Z. Barrow; Miss M. Ribeiro and Miss Botelho; Miss M. Silva, Miss A. Gonzalez and Miss N. Gonzalez; Miss M. Piquero, Miss B. Remedios, Miss M. de Roza, Miss A. Alves and Miss M. Remedios.

CLUB v MACAO TO-DAY

The following team has been chosen to represent the Hong Kong Hockey Club against the Macao Hockey Club to-day:—

V. M. Bonwell; R. L. Wallace and F. H. Stokes; R. A. Bates, W. A. Reed and N. D. Whitley; S. Fowler, T. B. D. Whitley, G. E. R. Divett (Capt.), B. I. Bickford and V. Bond.

CLUB FULLY EXTENDED BY I.R.C. IN FRIENDLY CRICKET MATCH

ARMY "A" SURPRISED BY UNIVERSITY IN LEAGUE

THE Club were given a scare by the Indians in their friendly cricket game at the H.K.C.C. yesterday. In reply to a total of 167 they had scored 105 for 4 and everything pointed to an easy win. Three wickets then fell for 19 runs, and only a useful knock of 23 not out by Tom Hayward enabled them to win by one wicket.

M. F. L. Haymes hit seven boundaries in his 44, scored out of 61.

Three Junior League games were decided. Army "A," in the running for the runners-up position in the championship race, came a cropper at Pokfulam, where K. L. Ng (7 for 42) dismissed them for 100, a score which the University passed with four wickets in hand. Recreio hopes were shattered by the Club and the Indians found Civil Service easy prey.

LEAGUE II

Indians Beat C.S.C.C.

At the Valley, Indian Recreation Club beat Civil Service Cricket Club by 9 wickets.

CIVIL SERVICE 2ND XI				
H. C. Daniels, b Singh	0			
H. F. Harper, b K. M. Rumjahn	0			
H. F. Strang, c H. T. Barma, b	0			
Y. T. Barma, c and b Singh	24			
F. E. Booker, c and b Singh	0			
P. D. Crawley, b Singh	0			
P. G. Robertson, lbw, b Singh	0			
J. F. MacGowan, c Y. T. Barma, b Singh	16			
F. S. Austin, c and b Singh	0			
J. Imrie, c K. M. Rumjahn, b Singh	0			
A. Warr, c U. A. Rumjahn, b K. M. Rumjahn	10			
C. W. Haynes, not out	0			
Extras (LB, B)	1			
Total	70			

Bowling Analysis				
N. Singh	14	5	23	7
K. M. Rumjahn	7	2	22	2
Y. T. Barma	6	2	24	1
INDIAN R.C. 2ND XI				
K. M. Rumjahn, b MacGowan	6			
H. T. Barma, retired	28			
A. A. Aziz, c Haynes, b Booker	1			
N. Singh, b Robertson	0			
F. A. Curcum, b Daniels	0			
T. Ali, lbw, b Booker	0			
N. F. Hoosenalla, b MacGowan	8			
Y. T. Barma, not out	5			
Extras (LB, B, WBI)	12			
Total (for 7 wks)	122			

M. L. Razack, A. K. Minu, and U. A. Rumjahn did not bat.

Bowling Analysis				
MacGowan	9	3	30	2
Robertson	8	4	20	1
Haynes	1	1	15	0
Booker	6	0	36	2
Daniels	1	0	6	1

Army "A" Beaten

University beat Army "A" by 4 wickets at Pokfulam.

ARMY "A"				
Sgt. Baker, b Ng	6			
Lt. Ingram, b Ng	0			
Lt. Hook, b Ng	0			
Sgt. Gill, b Teoh	15			
C.M.S. Northcott, b Ng	20			
Pte. Jones, c Fong, b Teoh	22			
Sgt. Calvert, c Hong Choy, b Ng	0			
Pte. Conner, c Linham, b Teoh	0			
S. S. Goodger, not out	0			
Sgt. Bloomfield, c Ling, b Ng	4			
L/C. Bradford, c Teoh, b Ng	8			
Extras (B9, LB2, NB1)	12			
Total	100			

Bowling Analysis				
K. L. Ng	12	2	42	7
C. H. Teoh	13	3	35	3
R. Singh	2	0	11	0

K. L. Ng bowled one no-ball.

UNIVERSITY				
I. Fong, c Calvert, b Goodger	7			
V. Lingam, lbw, b Calvert	16			
K. S. Oh, b Jones	39			
K. T. Loke, c Northcott, b Baker	32			
K. L. Ng, b Jones	22			
C. H. Teoh, b Jones	22			
G. Hong Choy, b Jones	4			
H. Ling, b Bradford	21			
L. H. Tan, b Bradford	0			
R. M. Soares, b Bradford	0			
R. Singh, not out	0			
Extras (B5, LB6)	11			
Total	129			

occasion she saved at least three successive drives, any one of which she might have been excused for letting through.

The backs, the Misses Hill and Darby, were inclined to be erratic, and mistakes almost led to disaster.

Miss Parsons played a good game in the centre-half, while in attack Miss Ewing and Miss McKelvie were constant sources of danger to the Saints' goal.

C.B.S. "B"—Miss C. Minot; Miss M. Hill and Miss G. Darby; Miss E. Watson, Miss M. Parsons and Miss J. Wallace; Miss J. Ewing, Miss P. Turnbull, Miss E. McKelvie, Miss H. Sanger and Miss J. Bradbury.

St. Andrew's—Miss June Hall; Miss D. Hall; Miss P. Lawson, Miss M. de Roza and Miss B. Greaves; Miss P. Lang, Miss V. Churn, Miss Y. Ho and Miss S. Roberts.

EIGHT FOR C.B.S. "A" In a very one-sided Brawn Cup game at King's Park yesterday afternoon, C.B.S. "A" literally annihilated "Y" Ladies, scoring eight goals without reply.

Miss D. McCaw, for the winners, was in her best shooting form and found the net on no fewer than six occasions. She was well-supported by Miss Shand, who also scored two goals.

Mrs. Williams and Miss Violet Bradbury worked extremely hard for the losers, but received little support. The "Y" never gave up trying, and in the concluding stages, except for one or two breakaways by the speedy schoolgirl forwards, they had almost as much as of the game territorially.

Bowling Analysis

	O.	M.	R.	W.
Calvert	8	3	25	1
Goodger	9	1	23	1
Baker	7	1	22	1
Ones	10	1	25	4
Bradford	3	1	13	3

Easy Win For Club

At King's Park, Hong Kong Cricket Club beat Club de Recreio by 71 runs.

H.K.C.C. 2ND XI				
H. J. Armstrong, b Alves	0			
D. S. Blake, lbw, b L. G. Gosano	0			
F. H. Stokes, lbw, b Alves	0			
R. S. W. Paterson, b Alves	10			
R. L. D. Wodehouse, c Soares, b L. G. Gosano	2			
C. W. E. Bishop, b Alves	34			
E. J. R. Mitchell, b Alves	10			
N. P. Fox, b Soares	10			
D. S. Robb, not out	18			
V. C. Bond, b Alves	25			
A. T. Godfrey, not out	5			
Extras (B6, LB1, NB2)	9			
Total (for 9 wks. dec)	144			

Bowling Analysis				
Alves	15	3	49	6
L. G. Gosano	13	4	27	0
A. V. Gosano	5	0	20	0
Soares	6	0	39	1
RECREIO 2ND XI				
E. L. Soares, b Wodehouse	25			
E. E. Noronha, lbw, b Wodehouse	19			
H. M. Xavier, run out	10			
L. G. Gosano, b Wodehouse	10			
F. H. Carvalho, c and b Wodehouse	8			
A. V. Gosano, c Blake, b Wodehouse	8			
M. Mendonca, b Robb	6			
J. Soares, not out	0			
A. Lopes, c and b Robb	0			
C. P. Basto, run out	0			
E. A. R. Alves, b Wodehouse	0			
Extras (B6)	6			
Total	73			

Bowling Analysis				
Wodehouse	12	3	23	6
Robb	4	0	18	0
Godfrey	3	1	17	0

FRIENDLIES

One Wicket Win

In a friendly encounter at Chater Road, Hong Kong Cricket Club beat Indian Recreation Club by 1 wicket.

INDIAN R.C.				
A. S. Ismail, b Leckie	1			
Sgt. Calvert, c Owen-Hughes	23			
A. R. Kitchell, c and b Perry	28			
A. H. Madar, b Leckie	12			
A. R. Abbas, c and b Owen-Hughes	19			
A. R. Minu, c Dunnnett, b Haymes	16			
Ismail Ali, c Ride, b Perry	12			
M. P. Madar, b Swain	8			
A. Baker, not out	0			
M. Hassan, b Leckie	0			
D. M. Khan, c Neve, b Swain	23			
Extras (B18, LB1, WB1, NB3)	23			
Total	157			

Bowling Analysis				
Swain	9	3	25	2
Leckie	11	2	24	8
Owen-Hughes	5	4	30	2
Perry	7	4	17	2
Haymes	7	0	38	1

HONG KONG C.C.

L. D. Kilbee, lbw, b Abbas	10			
H. B. Neve, c Khan, b Abbas	1			
I. R. H. Leckie, b Abbas	14			
A. E. Perry, lbw, b Abbas	6			
M. F. L. Haymes, st. Ismail, b Minu	44			
T. Ride, lbw, b Kitchell	28			
H. Owen-Hughes, lbw, b Minu	1			
J. Barrow, b Kitchell	1			
A. W. Hayward, not out	23			

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JUNIOR LEAGUE TABLE TO DATE

	P.	W.	L.	D.	Pts
Royal Navy	9	6	0	3	21
C. C. C.	8	5	0	3	18
Army "A"	10	5	2	3	18
Police	8	4	2	2	14
University	8	4	1	3	13
Recreio	8	4	4	0	12
H. K. C. C.	8	2	2	4	10
I. R. C.	8	3	5	0	9
C. S. C. C.	8	2	4	2	8
C. S. C. C.	9	2	6	1	7
Army "B"	8	0	7	1	1

M. R. Swain, st. Ismail, b Minu	8			
F. A. Dunnnett, not out	0			
Extras (B4; LB3)	7			

Bowling Analysis				
Minu	15	3	51	3
Abbas	9	1	36	3
A. H. Madar	5	0	31	0
Ali	1	0	16	0
Kitchell	6	0	22	2

Navy Beat Army

At King's Park, Army lost to Navy by 5 wickets.

ARMY				
Lt. Godby, c Paxton, b Nave	54			
Lt. Douglas, b Thomas	14			
Pte. Coombes, c and b Spurgeon	24			
Sgt. Paynter, c Nave, b Spurgeon	1			
Capt. Macintosh-Walker, c and b Paxton	27			
Lt. Chiverrall, b Carless	7			
R. S. M. Pirie, b Carless	4			
Lt. Smith, b Carless	10			
Sgt. Coleman, c Waymouth, b	0			
Lt. Aberdare, not out	8			
Extras (LB1)	1			
Total (for 9 wks. dec)	150			

Bowling Analysis				
Pte. Hatfield did not bat.				
Paxton	10	1	42	2
Carless	13	4	43	3
Thomas	3	7	1	
Whitmarsh	3	0	11	0
Spurgeon	6	0	28	2
Nave	4	0	17	1

NAVY				
Lt. Comdr. Waymouth, c Mackintosh-Walker, b Paynter	37			
Mt. Wilson, b Coombes	14			
C. P. O. Thomas, c Chiverrall	2			
Sub. Lt. Oxle, c Chiverrall, b Mackintosh-Walker	26			
Lt. Webster, c Colman, b Aberdare	30			
Sto. Brown, c Chiverrall, b Coleman	7			

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THE BANK OF EAST ASIA, LTD.

Authorized Capital \$10,000,000

Issued and Fully-Paid-up 5,000,000

Reserve Funds:—

Sterling £ 1,000,000

Hong Kong Currency \$2,000,000

Reserve Liability of Pro-
prietors \$2,000,000

HEAD OFFICE: HONG KONG.

BOARD OF DIRECTORS:

Chairman:

Hon. Mr. M. T. Johnson,

Deputy Chairman:

Sir Van der Meer M. Grayburn,

Chief Manager:

J. K. Bousfield, Esq.,

H. H. Bousfield, Esq.,

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HOPEFUL NOTE
SOUNDED AT
BANK MEETING

(Continued from Page 17)

India are qualified by doubts as to the state of world trade throughout the coming year. The rumours spread from America last April that the price of gold was likely to be of an adverse nature on the Philippine Islands and Malaya. The former was also affected by the labour troubles in America and, as in fact happened generally throughout the world, in Malaya the last quarter of 1937 gave a slight setback to the satisfactory conditions reported prior to that time.

MANILA OPTIMISM
 In the Philippines increases in revenue and trade throughout the year reflect the present state of the islands, but the unexpected statement made by President Quezon last March in regard to putting forward the date of complete independence had an unsteady effect. An early solution of this problem is desirable. The trade situation is, generally speaking, good, and there is optimism about the future of mining.

Our Bank has faced many difficult periods in the seventy-three years of its existence and has seen months of vicissitudes in China. A few months ago our Shanghai Manager, Mr. A. S. Henchman, commented that he found it extremely difficult to see the wood for the trees. He was trying to take a long view and I think you will agree that it is not easy for us at the present moment to see clearly through the dense forest of gloom in which China and Japan stand.

On both sides there are dangerous tendencies and pitfalls. We must move warily, keeping our eyes open, ready to welcome and take advantage of the first ray of light.

It is helpful and cheering to feel that His Majesty's Government are keenly observing political events out here and are prepared to support British interests as and when they arise. Trade can flourish only in confidence and harmony. If the policy of His Majesty's Government engenders confidence, then the Far Eastern merchant can be trusted to show enterprise. As an instance I should like to draw attention to the initiative and enterprise displayed during the critical months by the two leading shipping companies in the China coast and Yangtze River—Messrs. Jardine Matheson and Co. and Butterfield and Swire—whose staffs, in valiantly keeping their services operating, have set a fine example, worthy of the best traditions of the British mercantile marines.

CHEERLESS OUTLOOK
 At the present moment the outlook is cheerless and it is easy to become depressed at the prospect of a long series of difficulties in China, but have tried to show you reasons for not regarding the future with too much pessimism. Foreign trade in the Far East has more than anywhere been built up by enterprise and by a readiness to face with courage obscure and unknown situations. I am confident that the British will find the way in tackling the new problems and the changed conditions which we are likely to see out here during the next few years. As for the Bank, it can be counted on to do its rightful share.

One last word. I think you will all agree that we owe an appreciation and thanks to the members of the staff who have worked in China throughout the past year. In each China-where we have branches there have been critical moments and difficult occasions which have in every case been met with courage and ability. I feel you can rest assured that your interests are in good hands.

LIGHTHOUSE IN
TROUBLED SEA

Mr. S. T. Williamson, seconding

the adoption of the Report and

Accounts, said:—

It is with pleasure that I rise to

support the Report and Accounts

presented, and feel sure that I am

voicing the wishes of Shareholders

in expressing our appreciation to

those at the helm of this great

Financial Institution which stands

out as a lighthouse in the troubled

sea of Far Eastern commerce to-day.

The Chairman's speech has been

of a most comprehensive nature

covering in detail the trend of East-

ern Trade and leaves nothing calling

for further comment, and I feel cer-

tain that it will be eagerly awaited

by financial interests all over the

World and be foremost in the impor-

tant Far Eastern reviews of the year.

HEAVY CLOUDS

The result of the year's working

must be considered when it is

manifestly, especially when it is

noted that a profit of over fifteen

million dollars is shown after paying

all charges and making provision for

bad and doubtful accounts and con-

tingencies, which certainly is a

magnificent showing under existing

conditions. Heavy clouds still make

their appearance on the financial

way Administrations which are a deep-seated worry in the financial fabric of China, are especially interesting, and it is pleasing to note that assurances have been given regarding these interests which are of an international character. With you, we do not share the heavy responsibilities placed on the shoulders of Sir Frederick Maze, and we sincerely hope that he will be able safely to pilot all the international interests involved to a successful issue.

SITUATIONAL SERVICES
 I am particularly pleased to note your reference to those who "go down to the sea in ships"; there are also many others serving on this Coast besides those mentioned by you, and one and all have faced their duties with a manly courage which certainly upholds the highest traditions of the Mercantile Marine and deserves the greatest appreciation of us all.

I well remember our Chief Manager stating at the opening ceremony of this building over two years ago that he had no doubt that the time had come to deal with subsequent events which were a great deal more than the ordinary banking facilities necessary to meet the abnormal conditions recently experienced, and we do realise the courageous manner in which Sir Van der Meer Grayburn has dealt with all matters pertaining to the successful carrying on of trade in these varying degrees. We are especially pleased that His Majesty the King has honoured him with the honour of Knighthood which we feel was so richly deserved—we know that he is proceeding on an early date to England on a well-earned holiday after his strenuous labours and our best wishes will go with him.

TRIBUTE TO MR. HENCHMAN
 The Chairman, Ladies and Gentlemen, I now formally propose the adoption of accounts as presented, and in doing so I wish to express our thanks to the Board of Directors, the Chief Manager and his very able staff, and I cannot but say that this opportunity passes without stating that we truly realise and appreciate all Mr. A. S. Henchman, our Shanghai Manager, and all those serving in China, have been able to accomplish in the way of safe-guarding our interests in the face of danger of every description.

The adoption of the Report and Statement of Accounts as presented was carried unanimously.

OTHER BUSINESS
 Sir H. E. Pollock, K.C., proposed and Mr. Chan seconded that the Hon. Mr. T. Johnson, Mr. G. Miskin and Mr. A. L. Shields be re-elected Directors. Carried unanimously.

Mr. P. S. Cassidy proposed and Mr. Kadoorie seconded that Mr. John Fleming and Mr. H. R. Forsyth be re-elected Auditors. Carried unanimously.

The chairman announced that dividend warrants could be ready on Monday.

Those present included:—Mr. G. Miskin (Chairman), The Hon. Mr. M. T. Johnson (Deputy Chairman), Mr. T. K. Bousfield, Mr. A. H. Compton, Mr. H. H. Bousfield, Mr. J. R. Bousfield, Mr. K. S. Morrison, Hon. Mr. J. J. Patterson, Mr. T. E. Pearce, Mr. A. L. Shields, (Director), Sir Van der Meer M. Grayburn, Chief Manager, Messrs. A. S. Adamson, J. M. Alves, H. J. Armstrong, P. S. Cassidy, Chou Seng Chou, Chen Shi-ling, N. V. A. Croucher, R. A. Dargatzis, J. Fleming, H. R. Forsyth, Fung Kong Un, Fung Manter, H. R. Hargrave, H. S. Hill, Ho Wing, H. Owen Hughes, J. H. Jesson, J. Lloyd, Lo A. P. H. Kow, L. M. S. Lloyd, Lo Kai Wing, A. N. Matthews, Messrs. M. J. F. Montreuil, A. Morris, A. Morse, Sir H. E. Pollock K.C., Messrs. S. H. Ross, F. W. Stanbury, D. V. Stevenson, J. A. Tarrant, G. N. Wilson, A. H. Vaswani, Wong Ping Sun.

LOCAL DOLLAR
 The demand rate on the Hong Kong dollar yesterday morning was 1/2%.

"Spot" silver was quoted in London on Friday at 20-3/16 and forward at 19-15/16.

The London on New York rate was quoted at £-U.S.\$5.0195 and the New York on London rate at £-U.S.\$5.0214.

Your remarks, covering the Customs, Salt Administration and Rail-

way Administrations which are a deep-seated worry in the financial fabric of China, are especially interesting, and it is pleasing to note that assurances have been given regarding these interests which are of an international character. With you, we do not share the heavy responsibilities placed on the shoulders of Sir Frederick Maze, and we sincerely hope that he will be able safely to pilot all the international interests involved to a successful issue.

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The adoption of the Report and Statement of Accounts as presented was carried unanimously.

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CIVILIANS FAIL IN ATTEMPT TO COPY CORINTHIANS' TACTICS

GALA NIGHT AT GERMAN CLUB

The "Road of Silk," the ancient trade route, described so colourfully by Sven Hedin, along which silk and other goods from ancient Cathay reached the Occident, was the decorative theme of the Bal Masque held at the German Club last evening and patronised by a large crowd, gaily dressed and masked.

There were very many pleasant surprises for the guests. As a variation from history, a sea route had been chosen, and decorations at the Club included a Turkish Room, dimly lit, with cushions and draperies, where coffee and liqueurs were served.

There was also an Egyptian Desert, where, to the music of the Hong Kong Hotel Orchestra, representatives from the Orient and Occident danced to the early hours of this morning. The Desert also had its oasis, where champagne, instead of the dates and well-water, was served.

Other decorations included a realistic Chinese Restaurant, complete with dried geese, chickens, etc., hanging from a pole. Even the customary spittoons were not forgotten—by those responsible for the decorations of course.

"INDIAN DANCE"
Complete with a cooling fountain there was an Indian Palace, which was also used as an additional dancing floor, while leading from it was an Indian Garden, where tired couples enjoyed relaxation from the "heat of the dance".

A thrill was provided by a slide which was the only means of getting to the cold buffet, fitted into the room and made to represent a prison cell with "klasty-looking" sufferers gazing through barred windows.

Many instances of astonished recognition took place at mid-

ANOTHER MINE UNDER MADRID REBELS

Madrid, Yesterday.

A communique issued by the Government last night stated that another mine has been sprung under the insurgent positions in University City, on the outskirts of Madrid.

The mine, it is claimed, caused the deaths of large numbers of the enemy.

Meanwhile in the Toledo sector, Government cavalry detachments are reported to have carried out successful raids.

Complete quiet now reigns in the vicinity of Teruel, where the Government troops have at last apparently succeeded in holding the insurgent advance after the latter had recaptured Teruel—Trans-Ocean.

SIR HENRY PAGE-CROFT OFF AGAIN

London, Yesterday.

In a remarkable speech last night, the Conservative M.P., Sir Henry Page-Croft, accused France of violating the non-intervention agreement.

"How," he asked, "can we prevail upon Italy to withdraw her volunteers from Spain when the French Popular Front Government is permitting aeroplanes, tanks, munitions and men to be sent across the frontier, although at the same time her Ministers make a great pretence of backing non-intervention?"—Trans-Ocean.

At night, when masks were taken off and prizes awarded, most of the guests managing to remain unknown until then.

SZABADOS LOSES TO LOCAL PLAYER EXCITING TABLE TENNIS AT CHINESE "Y"

MIKLOS Szabados and Istvan Kelen, Hungarian and former world table-tennis champions, made their local debut last night at the Chinese Y.M.C.A., Bridges Street, approximately 90 minutes after their arrival in the Colony by the s.s. Hakoziaki Maru.

The exhibition had not been in progress long when a major sensation occurred, Szabados, who is recognised as one of the finest exponents of the game in the world, succumbing in straight sets to Pun Sai-on, of the Confucius Society, who gave a dazzling display to win in straight sets by 21-18, 21-18.

The Hungarians played four of the leading Chinese exponents of the game and won by 3 matches to 1. Kelen winning both his matches in a very convincing manner, his physical fitness and wonderful relieving of punches from 10 to 12 feet off the edge of the table providing one of the main features of the evening's entertainment.

Having just left their ship, the Hungarians proceeded to the Peninsula Hotel, where they made arrangements for their stay in the Colony and, after a quick dinner, they then went to the Chinese "Y," where they commenced their exhibition at 8.30 p.m. under very trying conditions.

With so much time at their disposal the Table-Tennis Association

WITHOUT FOUNDATION

Hankow, Yesterday.

"Absolutely without foundation," was the comment of a Government spokesman to-day on hearing of a report that the National Government had decided to transfer its offices from Hankow to Hengyang, in Hupeh.

No such transfer, he added, had ever been considered.—Reuter.

Visitors Toy With The Opposition

Colony XI In Action Today

The Islington Corinthians will make their last official appearance this afternoon, at 4 p.m., at Caroline Hill, where they will clash with the Hong Kong Football Association's Colony eleven in what promises to be a very good game.

The Corinthians are making one change from yesterday's team. Longman will replace Wingfield between the sticks.

With the fine weather prevailing, and with every prospect of a firm surface, a fast and exciting encounter should result.

The teams are:

Colony XI:—Duncan (Royal Scots); Lee Ting-nang (Capt.) (South China "A"); and Ulrich (Kowloon); Williamson (Seaford); Lau Hing-choi (South China "A"); Leung Wing-chiu (South China "A"); Yeung Shui-yick (South China "A"); Lai Shui-wing (South China "A"); Pang King-cheung (South China "A"); Saw (Middlesex) and Hau Ching-to (Eastern).
Reserves:—Pile (Police), Right (Middlesex), Feels (Navy), Chan Fui-fai (South China "B"), Groom (Middlesex) and Pearson (Middlesex).

Islington Corinthians:—Lomenan; Martin, Clark (Captain); Wright, Whittaker, Bradbury; Read, Tarrant, Sherwood, Avery and Pearce.

CURRENCY LAW DEFIED

Hamburg, Yesterday.

A serious offence against the German foreign exchange regulations has been discovered in Hamburg twelve months after the death of the delinquent, Paul Kroenke, a prominent and esteemed local merchant.

It now transpires that Kroenke possessed a fortune amounting to approximately 5,500,000 reichsmarks abroad, existence of which had been concealed from the German authorities.

Of this sum, about 3,500,000 reichsmarks consisted of gold bars deposited in a bank in the Netherlands.

It is stated that the German authorities have been able to obtain possession of the fortune thus illegally transferred.—Trans-Ocean.

KEEP TO THE RIGHT IN AUSTRIA

Vienna, Yesterday.

Driving on the right side of the road is to be introduced all over Austria, and the work of changing road signs and traffic control equipment is to begin immediately.

Cost of the change is estimated at 14,000,000 schillings for Vienna, and 20,000,000 schillings for the entire country.

Except for the Tyrol, traffic in Austria, as in England, has hitherto moved on the left side.

The Tyrol changed over to the right side several years ago because of the increasing number of accidents which resulted from Italian and German motorists passing through and forgetting to change over to the left side of the road.—Trans-Ocean.

SHERWOOD SCORES "HAT TRICK" IN FIRST GAME HERE A VERY MAIN SCHEMER IN FORWARD LINE

Had the Civilians produced anything like a concerted effort in the first half of their encounter with Islington Corinthians at Caroline Hill yesterday they might have raised a glimmer of hope in the breasts of their supporters, but a feeble forward line, coupled with an even more feeble set of half-backs, could do nothing to take advantage of the somewhat ragged settling down process of the visitors, who were far from being flattered by a 3 goals to 1 victory.

The second half was even more wearisome. The Corinthians, playing a 100 per cent. better brand of football than in the initial session, simply toyed with the opposition, and only through the untiring energy of Mak Sui-hon, Costa and Gough—the last named emulated the "third-back" policy of Whittaker—did the losers escape a much heavier defeat.

The Civilians' attempt to copy the positional tactics of their opponents ended in a miserable defeat before the interval, chiefly because the wing-halfs—key positions in such a policy—found it more than a full-time job to follow the movements of the opposition inside men, whose rapid interchange of positions invariably left Biss and Leung-in-chen without the faintest hope of making a recovery. Thus, in view of the fact that Gough made no attempt to take part in any constructive effort, the forwards were without even the most meagre support and were more dead than spectators for the majority of the game.

Bickford made several commendable attempts to inspire the rest of the line when he finished up some clever solo sprints by planting the ball squarely into the centre, but the result was always the same—his ball was promptly booted back into the Civilians' half.

So far the Corinthians have played three matches in the Colony and, whatever the reason, the fact remains that only the Services have given them the slightest anxiety.

MORE DEADLY ATTACK

Fortunately for the spectators, the Corinthians again gave proof of their ability, their quick-passing forwards and solid defence completely blotting out the Civilians' attempts to initiate a killing movement. The forwards were more deadly than in previous games, partly because of the excellent leadership of Sherwood, whose head constantly appeared above a rack of players to place perfect "headers" into the opposing goalmouth. He obtained all three goals, two coming as a result of smart headwork from awkward angles.

On the wings both Read and Pedree were an improvement, Read especially being noteworthy for the way in which he constantly supplied Sherwood with high balls, whilst Pedree, despite meeting the toughest opposition in the Civilians' team—Mak Sui-hon—contrived to establish an almost perfect understanding with Avery, the main schemer in the front line.

Incidentally, Avery's dribbling was one of the features in a game which had few highspots.

Leung In-chen was beaten nine times out of ten by the brilliant ball control of the inside-left and he cut a very sorry figure trailing behind the outside-left in an endeavour to make up lost ground. Tarrant was less spectacular than Avery, but his display was nonetheless sound. He had a very easy task in the second half, as Biss fired considerably after the interval and was unable to come with the quick runs of the opposing right-wing pair.

PERFECT HALF-BACKS

In direct contrast to the weak efforts of Biss and Leung In-chen were the performances of Bradbury and Wright, at left and right-half respectively for the winners. Each played his part to perfection, and towards the close of the game it became so obvious that the Civilians' forwards were of little real danger that Whittaker forsook his role of third full-back to join in attacking movements with his own forwards. Even without his services the commendable understanding of Martin and Clark was more than adequate to break up the spasmodic raids of Bickford and Howlett. Wingfield was so well covered that he seemed glad when an opportunity presented itself to take a dead ball kick.

The Corinthians were unusually haphazard in their passing during the first period, but they had the majority of the play, and it was not long before Sherwood fastened on to a loose ball to send in a force drive which just skimmed the crossbar. The Corinthians' policy seemed to be to let the centre-forward finish off most of their movements, and it was evident after a time that their faith in the leader would be amply justified.

HIGHLIGHTS OF THE GAME

- 4.07 p.m.—Sherwood shoots over bar with fierce drive.
- 4.15 p.m.—Sherwood goes close with header from Read's pass.
- 4.22 p.m.—Fowler heads wide after good work by Bickford.
- 4.30 p.m.—Read grazes crossbar with perfect pivot shot.
- 4.32 p.m.—SHERWOOD scores with neat header from Read's centre.
- 4.37 p.m.—SHERWOOD finds net after glorious pass from Pearce.
- 4.42 p.m.—Biss runs through, but his header goes wide.
- 4.53 p.m.—Sammy Tsang saves pile-driver from Sherwood.
- 4.59 p.m.—SHERWOOD beats Bickford's defence to complete "hat-trick".
- 5.05 p.m.—WONG MEE-SHUN reduces arrears from dubious penalty.

Read—twice he got his head to pass from the wings and each time Sammy Tsang had to make cat-like leaps to stop the ball from going into the net.

FOUL PLAYERS OVER

So far the Civilians had taken no part in any attacking movements, but after 20 minutes Fowler headed over the bar from a loft pass by Bickford. However, they quickly receded from the picture again, for the Corinthian forwards to enjoy another spell of attacking which almost succeeded in bringing the initial goal. After 30 minutes, however, the visitors were rewarded when Sherwood crowned some glorious work by Read, carefully heading his centre wide of the goalkeeper into the corner of the net.

The resumption saw the Corinthians again on the attack, and repeated threats by Sherwood eventually resulted in the centre-forward scoring his second goal, in a similar manner to his first, the pass this time coming from Pearce.

The Civilians hardly ever appeared in the picture as an attacking force, but Fowler did manage after a while to gain possession following a breakaway, only to see his header pass wide of the upright.

During a long period of pressure by the Corinthians Sammy Tsang was called upon to save several awkward shots from the forwards, but his chief source of anxiety was Sherwood.

After 20 minutes of play in the second half Sherwood completed his "hat-trick," but with only five minutes left before the final whistle the Civilians reduced the arrears through Wong Mee-shun who converted an extremely doubtful penalty given for hands against Whittaker.

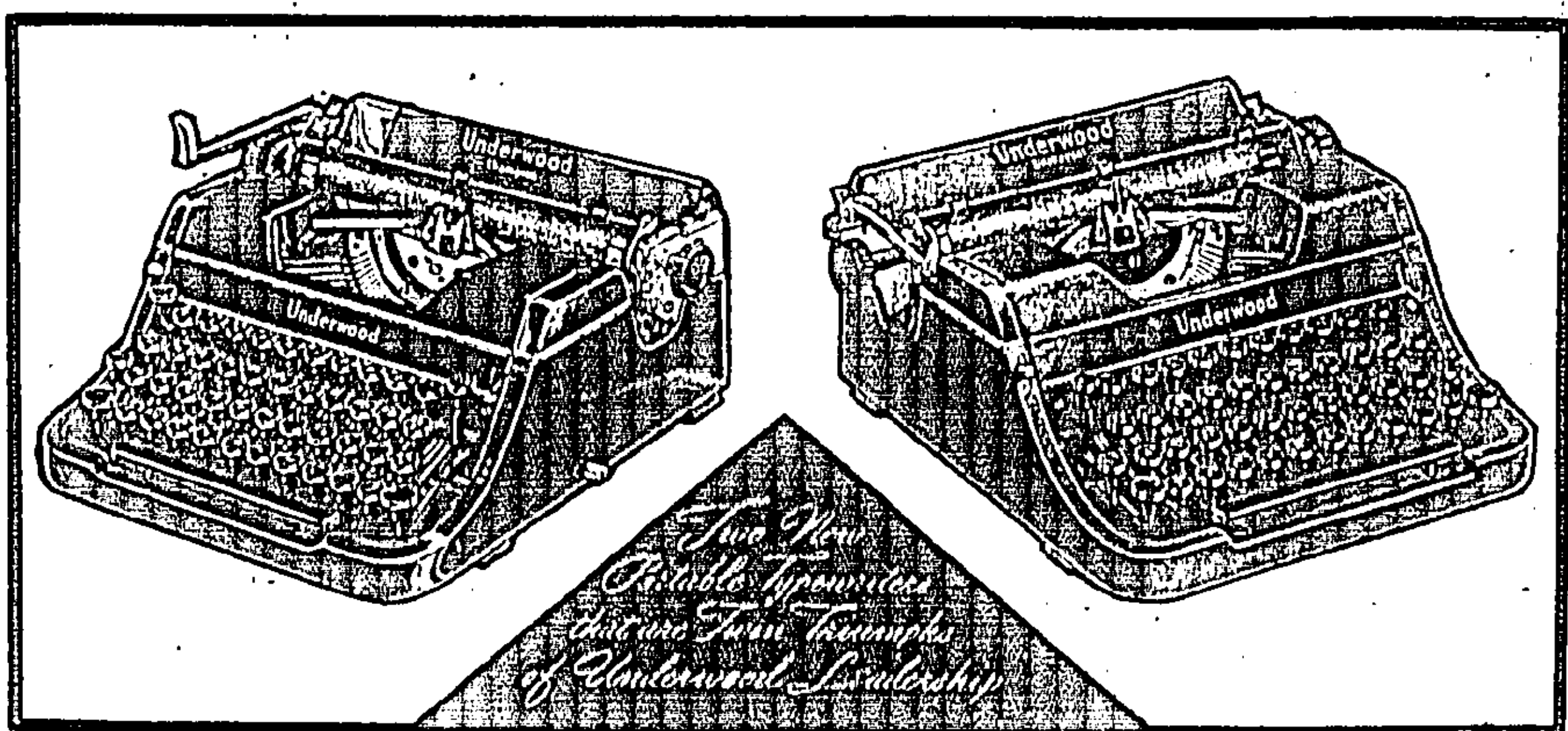
Civilians:—Sammy Tsang; Mak Sui Hon, Costa; Leung In Chan, Gough, Biss; Fowler, Wong Mee Shun, Knox, Howlett, Bickford. Corinthians:—Wingfield; Martin, Clark; Wright, Whittaker, Bradbury; Read, Tarrant, Sherwood, Avery, Pearce.

RIDING SCHOOL SPORTS

The Hong Kong Riding School's second annual sports are to be held on Sunday, March 13, commencing at 10 a.m. Three open competitions are included in the events and entrance is free, to be sent to the Riding School, P. O. Box 635. Ponies will be supplied if desired.

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PRESSURE ON JAPAN OVER INSISTENCE ON OLYMPICS

Amsterdam, Yesterday.

Pressure will be brought to bear on Japan to compel her to renounce her right to organise the Olympic Game in 1940 during the forthcoming congress of the International Athletic Federation in Paris, says the Amsterdam "Telegraaf."

The paper writes that many of the delegates are of the opinion that conditions in the Far East render prospects of a successful Olympic meeting in Tokyo very unfavourable, and that England and the Dominions will oppose the idea.

There is even a possibility, says the paper, that England and the Dominions may refuse to compete if Japan persists in her intention.—Trans-Ocean.

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**SHORT STORY**

TYPE: Romance—with a
moral

SETTING: Belgian farmhouse

AUTHOR: Michael Romain

Indecision Of Claire



"The piece of metal
was twisted and dis-
coloured, but I could
recognise it as the
remains of one of
my tin soldiers."

"Till next year!" cried Pierre.
Lanel. "We will soon have peace
again!"

"I believed that, too for the
very idea of war seemed utterly
senseless."

"It was to seem much more
senseless when, two years later,
I found myself in the same sector
of Belgium. Brigade headquar-
ters were in a chateau near the
village which once Pierre had
supplied with produce. Little
now remained of it except a few
shattered cottages and the esta-
minet. Naturally, the first thing
that I did in the village was to
inquire about the farm."

"Desolated, monsieur," an-
swered the old proprietor of the
estaminet. "Pierre went to the
war soon after the invasion, and
he, alas, was killed within a month.
Madame Lanel did not survive
him long—the shock was too great
for her to bear. For the rest...
His lined face grew grim and bit-
ter. "Perhaps Monsieur le Capiti-
ne can tell you better than I
can." He motioned to a Belgian
officer standing nearby.

"Can you tell me what has be-
come of the daughter of the man
who owned the farm and her
brother?" I asked.

"They are alive," answered the
officer, "but the farmhouse has
been destroyed. It was like this.
Some cavalry of the enemy had
reached the farm. Marie, the
girl, was there, and the boy. He
had some tin soldiers with which
he was always playing—English
soldiers. The commandant or-
dered the tin soldiers to be taken
away, but for some reason Michel
clung to them and refused to give
them up. Enraged, the command-
ant tore them from his hands
and trampled on them. That
night the farm was burned to the
ground."

"But Marie and Michel—you
say they're still alive?" I asked
anxiously.

"Yes, and still at the farm—
what remains of it. The girl re-
fuses to leave it. If you are a
friend, perhaps you would like to
see them. My car is outside. If
you wish I will drive you there."

"I accepted the offer."

"While I walked through the Bel-
gian officer through the ruins of
the farmhouse my foot kicked
against a piece of metal. I stooped
to pick it up. It was twisted
and discoloured, but not so much
that I could not recognise it as
the remains of one of the tin sol-
diers."

(Continued on Page 23)

THERE are times in life when
the brain falls so abjectly
to deal with a problem that a man
may well question his alleged su-
periority over the beasts in the
field.

It was in such a frame of mind
that Owen Bretherton found him-
self as the boat train hurried him
all too quickly towards London
and the woman who would be
waiting on the platform to meet
him.

He supposed that she would be
waiting. Certainly her telegram
had been explicit enough. "Please
return at once. No more doubt in
my mind—Claire." It had been
forwarded to the farmhouse in
Belgium where he had been stay-
ing. He had wired back—acquies-
cence.

Bretherton had escaped to this
farmhouse because of the appar-
ent deadlock between Claire and
himself.

Claire's father, a man of un-
governable temper who had bul-
locked his way to success, was un-
compromisingly hostile towards
his daughter's marriage with some
one who was neither a social nor
a financial celebrity, but merely
an artist in the process of attain-
ing recognition.

Her mother, a meek, inoffensive
woman, who had never dared to
breathe a word in opposition to
her husband, had been drawn re-
luctantly into the conflict.

Thus encompassed, Claire had
begged Owen to give her time.
"Of course, dearest," he had an-
swered. But his disappointment
had been so intense that he had
decided to go abroad for a few
days, to the farmhouse in Bel-
gium, a sanctuary of other times.
On the fourth day after his ar-
rival he received Claire's tele-
gram.

Slowly and relentlessly the
train drew into the station and
came to a standstill. Bretherton
stood up, swung his suitcase off
the rack and nodded to the porter
who appeared at the door.

He sighted Claire at the barrier.
She waved her hand and came to
meet him with a light step and a
smile of gladness. Regardless of
onlookers, she lifted her face for
a kiss. Her hands, resting on his
arms, gripped them tightly.

"I'm so happy to see you," she
murmured.

Bretherton looked down in si-
lence on her. He could see the
suspicion of blue grease paint
round her eye-lids, the blackened
lashes and the patches of rouge
on her cheeks. She seemed arti-
ficial, almost unreal. Still, Claire
loved him—that was clear enough
and by that fact he must be guid-
ed.

"Well?" remarked Claire, as she
drew away from him. "Haven't
you anything to say to me?"

Bretherton straightened his
shoulders. "Everything's happen-
ed so suddenly," he said haltingly.

Claire smiled. "Wait, my dear.
You don't know the half of it.
Let's get into a taxi and go
home. I'm staying with an old
school friend—Kate Latham.
You've heard me talk about her.
She has a small flat, and, as I've
burned my boats where father's
concerned, I've moved in there un-
til we're married."

A minute or two later their
taxi had joined the line of
traffic which was streaming out
of the station.

"It happened on the third night
after you'd gone abroad," began
Claire.

Bretherton, in the act of light-
ing a cigarette, turned his head
sharply. "What happened?" he
demanded.

"I'm trying to tell you. I
couldn't sleep with worry and the
thought of you. Suddenly—I
know you'll think this is queer—
you seemed very close to me, so
close that I could have sworn you
were standing in the darkness be-
side me."

"Go on," said Bretherton in a
low voice.

"I remember I stretched out my
hand towards you. Then some-
thing went snap in my brain. I
got out of bed and went straight
to mother's room. 'Mother,' I
said, 'I love Owen and I'm going
to marry him. You'll have to
deal with father as best you can.
If he makes things absolutely im-
possible for you, you'll have to
come and live with us.'"

"And all this happened on the
third night after I'd gone to the
land."

farm?" said Bretherton.
"Yes." Something in his tone
perplexed her. She looked at him
steadily. "Owen," she asked, "is
anything wrong?"

With an effort, Bretherton
struggled out of the paralysis of
will and thought which was hold-
ing him speechless.

"Let's go somewhere quiet and
have a drink."

"All right," agreed Claire an-
xiously.

Bretherton drew back the slid-
ing window behind the driver's
head.

"Arnold's Hotel," he said.

The lounge of Arnold's Hotel,
a quiet, old-fashioned establish-
ment, was deserted. Claire and
Bretherton found themselves
alone. Bretherton broke the
strain of the silence between
them.

"Claire," he began, "when I
left England a few days ago I was
in a terrible frame of mind.
Everything where you and I were
concerned seemed black and hope-
less."

"I've told you a little about this
farm in Belgium. Now I want to
tell you everything. It may help
you to understand something
which happened there, even if you
can't forgive it."

"I used to spend my summer
holidays there before the war."

"The owner of the farm was a
man called Pierre Lanel. He liv-
ed there with his wife, his daugh-
ter Marie, and his small son Mi-
chel."

"I used to be very happy there,
painting, lazing, and sometimes
working on the land. Between
the Lanel's and myself there exist-
ed a great and enduring friend-
ship."

"To little Michel I was a sort of
 demi-god. Every year that I came
there I used to bring him a gift.
In the summer of nineteen-four-
teen it took the form, curiously
enough, of some tin soldiers—
bold guardsmen in scarlet. These
were the memories which I car-
ried away with me when, news of
the war drifting in, I left for Eng-
land."

Indecision Of Claire

(Continued from Page 22)

diers. That my gift should have caused the destruction of a hearth and home—this was war with a vengeance.

"Suddenly a piercing cry made itself heard above the distant thunder of the guns—M'sieu Bretherton! M'sieu Bretherton! A moment later Michel was clinging to my side and Marie was in my arms. Of all the memories which were left to me after the war, I never forgot this one. I was their only link with the happiness of the past. There was nothing else left to them.

"After the war, as you know, I went to live with my married sister in the States, but I knew from letters which I received that the farmhouse had been rebuilt and that Marie and her brother, with the tenacity of their race, were carrying on. It wasn't until a few days ago that I went there again. This time it was my life which was on the rack.

"The girl who had rushed into my arms ten years ago had become a woman. She saw that I was unhappy and wanted to help me. I thought it was pity, but I discovered that it was a love which had been in her heart since she'd known me.

"I told her all about you. When your wire came, in spite of what had happened between Marie and myself, she realised that I had to return to face you.

There was a silence. "Owen, dear," began Claire, tenderly. "It's all my fault. I should never have let you go away. Now that you've come back I want to forget that you ever left my side."

Bretherton looked at her in bewilderment. "Claire," he said, "I don't think you understand. Marie and I were married the next morning."

"Married!" exclaimed Claire in horror. "Yes," continued Bretherton, "and I think it's happened for the best. Honestly, Claire, I doubt whether it would have worked." For a few moments Claire did

BRIDGE NOTES

BY ELY CULBERTSON

Two "Freak" Hands

STEADY play will win, nine times out of ten, in Contract Bridge. This is, indeed, always the case when the hands are stodgy. Hands that will produce only a part-score give more trouble to ambitious and adventurous players than hands which are commonly described as "trappy," because of their distribution. In the case of "trappy" hands—say, all five missing trumps held by one opponent—the chances of a big penalty are the same for all types of players. But in the case of stodgy hands cautious players stop short at a makeable contract, while bold bidders venture into just impossible game-contracts.

In the majority of matches, however, and in a fair proportion of rubbers, one hand occurs which may give imaginative exponents the chance of winning, or saving (which is the same thing, really) many, many hundreds of points. This is usually a hand where the distribution is of a "freakish" nature. Take a hand of this type:

S.—None

H.—4

D.—9 6 5

C.—Q J 10 8 7 6 4 3 2

That hand contains not a single trick in defence, except perhaps a ruff of a Spade, if the adversaries finish in a Heart contract. At the same time, that hand is worth nearly eight playing-tricks at a Club contract, and it would be the height of cowardice to fail to call "Five Clubs" over an adverse "Four" contract in a major suit.

Recently, in a practice match in which I suspect the hands were arranged beforehand, there were two deals of a definitely "freakish" nature. The other 22 deals of the match, I might add, were prosaic enough—a game here, a game there. On them points could

not trust herself to speak. Her eyes were burning and her thoughts were a turmoil of self-reproach and regret.

"Well," said Claire with an effort, "here's success to you, Owen, and confusion to women like myself who go through hell because we can never make up our minds—until it's too late."

be made, but big swings were almost impossible. The two "freak" hands, however, presented great opportunities for imaginative bidding.

West was the dealer of the first, with both sides vulnerable:—

NORTH

S.—None

H.—10 7 6

D.—A Q 8 7

C.—9 8 7 5 4 2

EAST

WEST

S.—A 2

H.—A K J 8 5 4 3 2

D.—J 5

C.—Q

S.—10

H.—Q 9

D.—K 10 9 6 4 2

C.—A K J 6

SOUTH

S.—K Q J 9 8 7 6 5 4 3

H.—None

D.—3

C.—10 3

In one room West was tamely allowed to play the hand at a contract of "Six Hearts." South stopping at "Five Spade," although he had no defence. In the other room the bidding was:—

WEST NORTH EAST SOUTH

4 H No 5 H 5 S

6 H No 6 S

Double All Pass

The King of Hearts was led, and the contract was defeated by two tricks—a splendid save, but a save which should have been made by every player holding a hand such as South's!

East's raise to "Five Hearts" was a good bid, but it was unlucky in so far as South might have passed "Four Hearts," fearing that an overall might drive the opponents into a makeable slam.

The other hand was no less "freakish" in distribution. Each side had scored a game when North dealt:—

NORTH

S.—None

H.—8 5

D.—9 6 4 3 2

C.—10 8 7 5 3 2

EAST

WEST

S.—J 8 6 3 2

H.—Q 9 7 2

D.—None

C.—A K J 9

S.—A 5

H.—A K J

D.—K

C.—Q 6 4



SOUTH
S.—K Q 10 9 7 4
H.—None
D.—A Q J 10 8 7 5
C.—None

At one table this was the bidding:—

NORTH EAST SOUTH EAST

No 2 H 3 S Double

No 4 H 5 D 5 H

No 6 S 6 D 7 H

All Pass

(1) East's Key bid of "Five Spades" was daring, but of the greatest value. It enabled West to bid the Grand Slam, instead of only "Six Hearts." In play 13 tricks were easily made, East discarding his losing Spade on West's fourth Club.

At the other table this was how the hand was bid:—

NORTH EAST SOUTH WEST

No 1 H Double (1) 3 H

No 4 H 4 S Double

No No 5 D 5 H

No No 6 D Double (2)

(1) A clever bid, concealing distribution and possibly frightening the opponents off a game or slam.

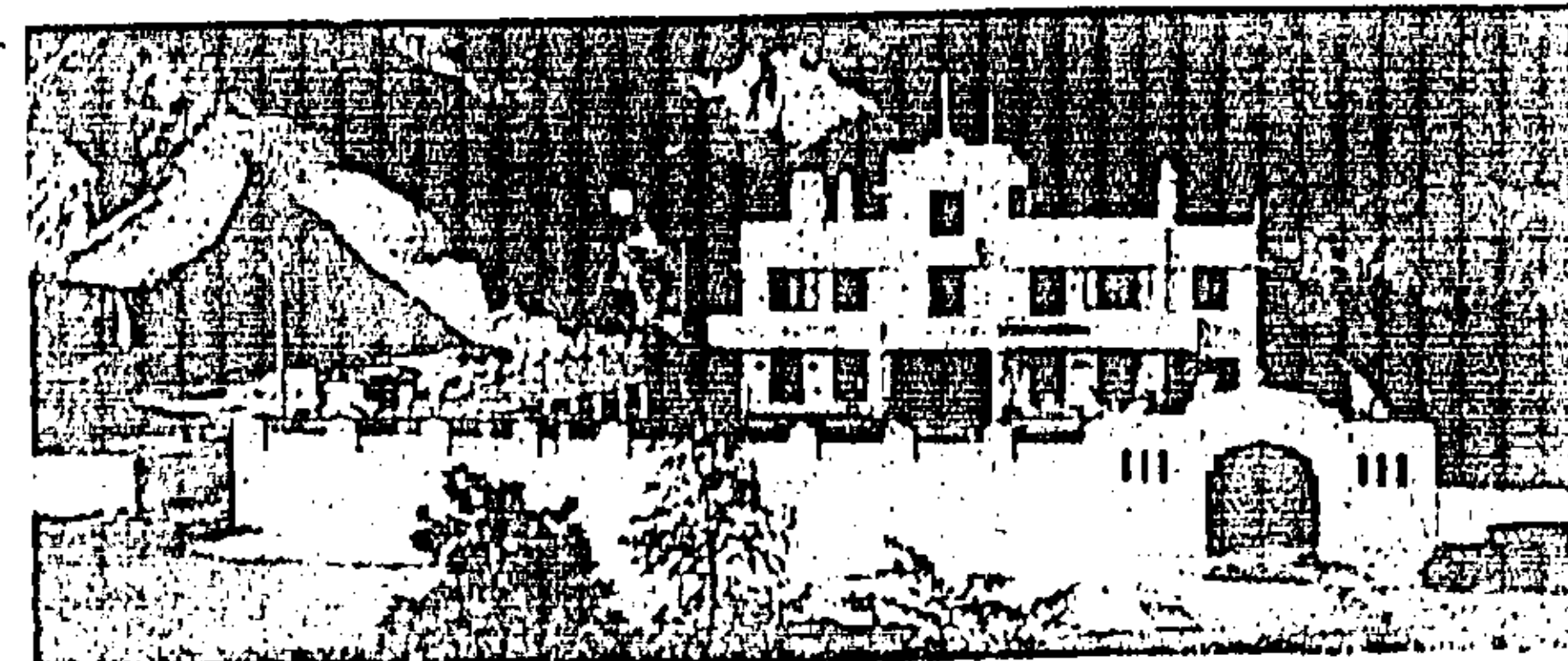
(2) Clearly relying on his Ace and King of Clubs to set the contract.

In play the King of Clubs was led, and South had no difficulty in making his doubled contract. He was right not to redouble, for a redouble might have driven the opponents into "Six Hearts," and in addition, West might have held the Ace of Spades and the guarded King of Diamonds.

The variations between the bidding in the two rooms gave a saving of nearly 4000 points to the "Seven Hearts" and "Six Diamonds" side—enough to win the majority of short Duplicate matches!

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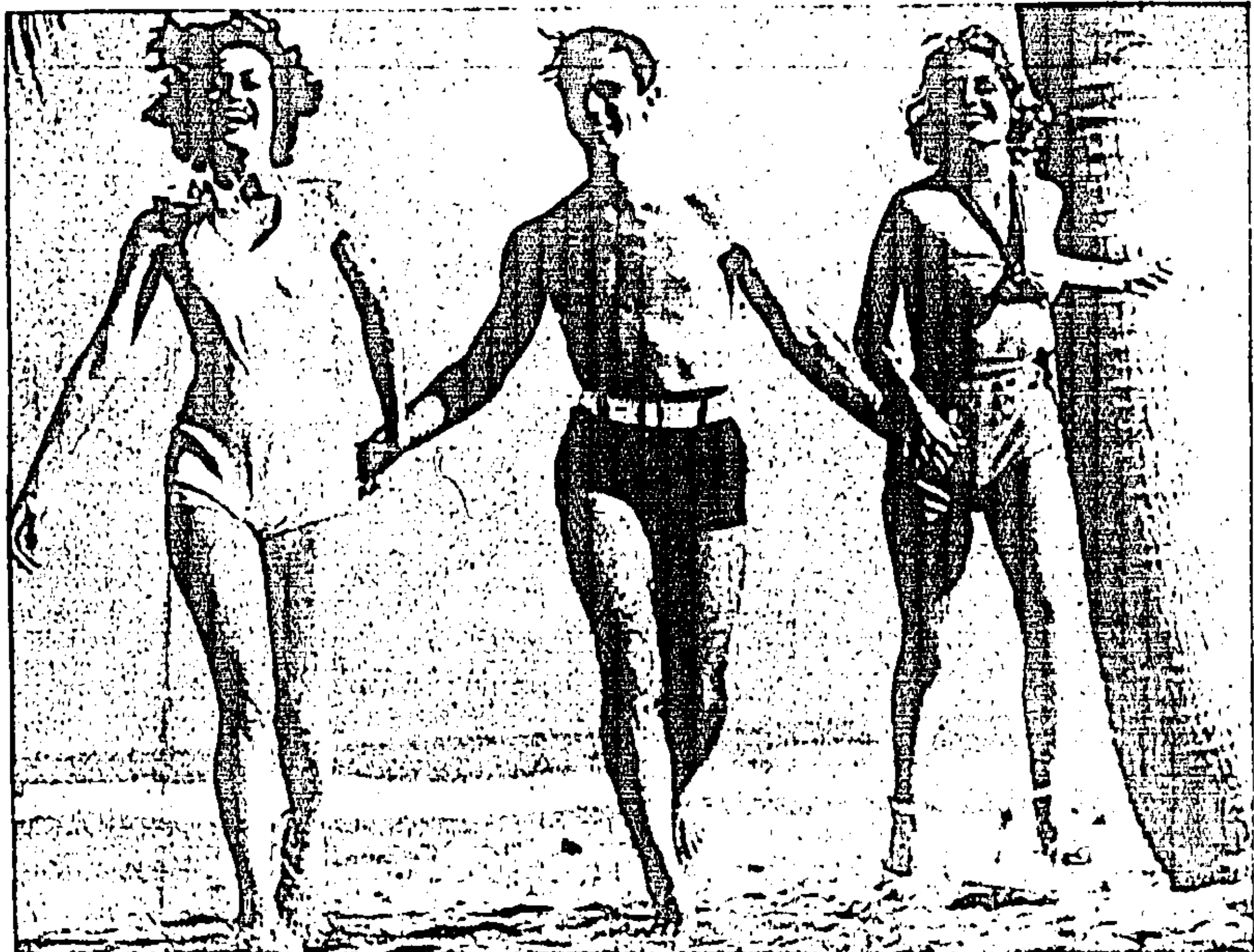
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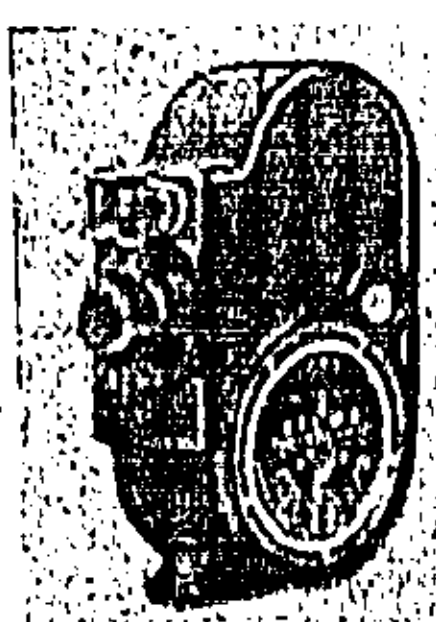
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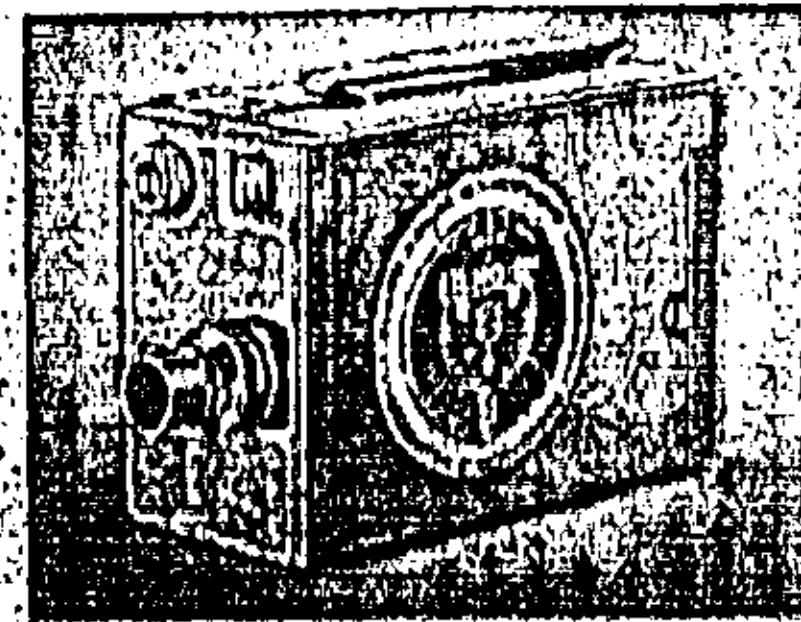
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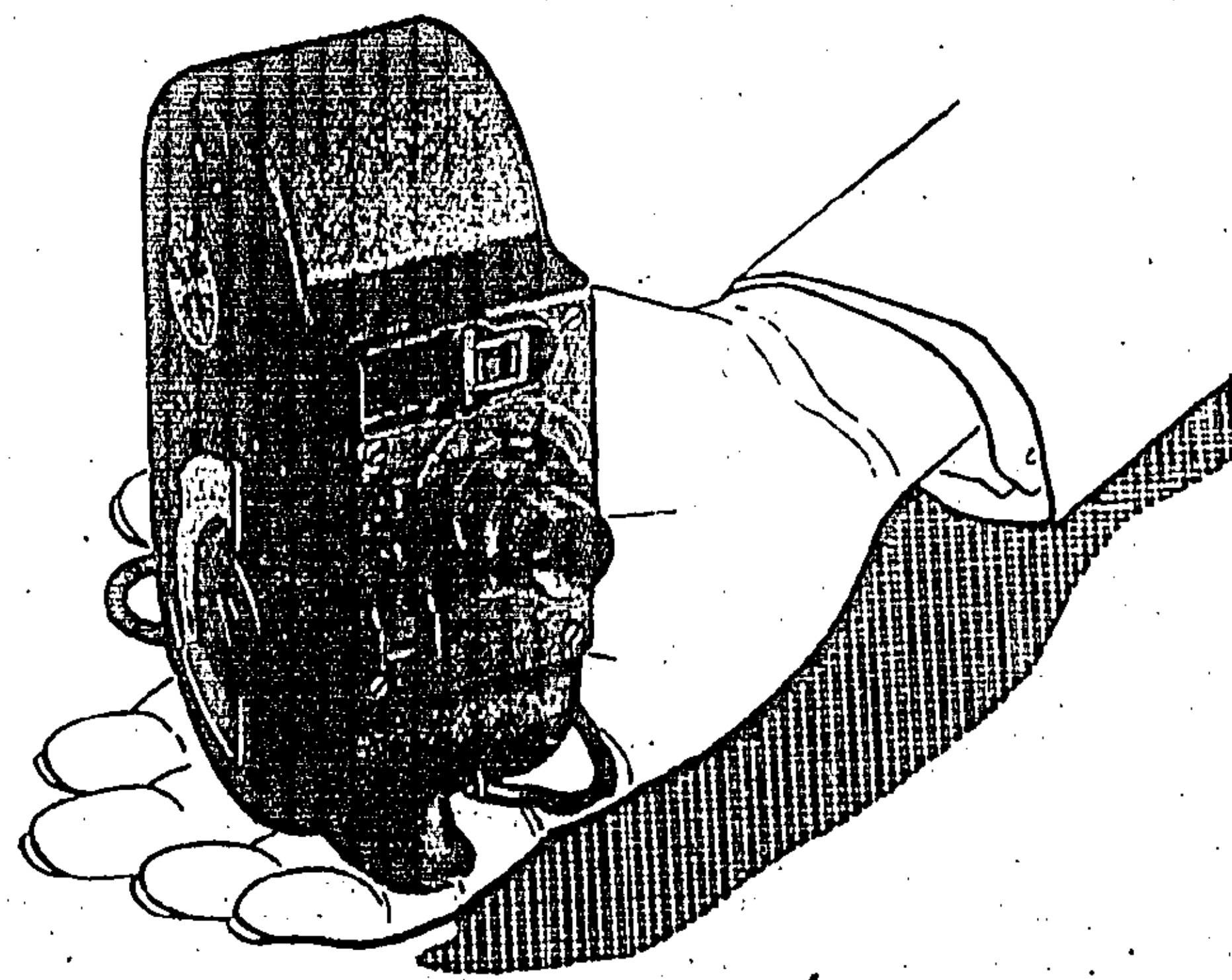
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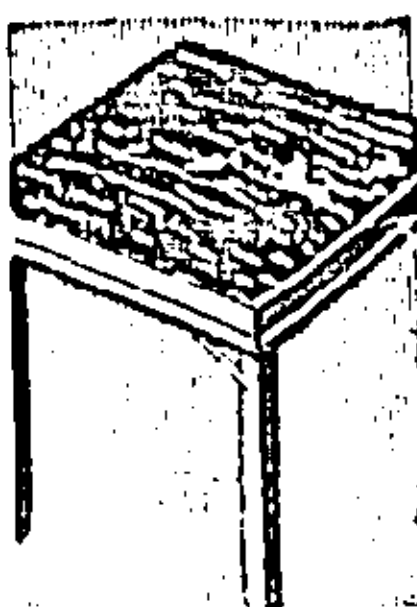
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HONG KONG, FEBRUARY 27, 1938

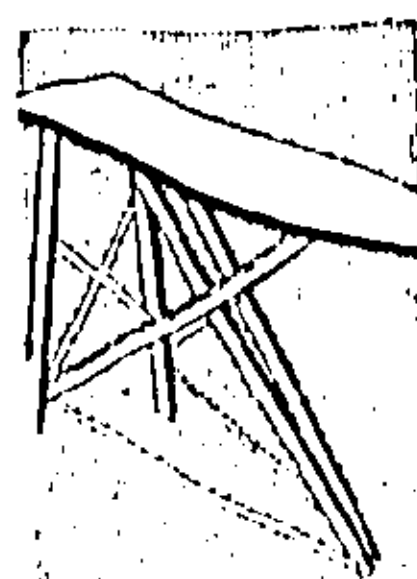
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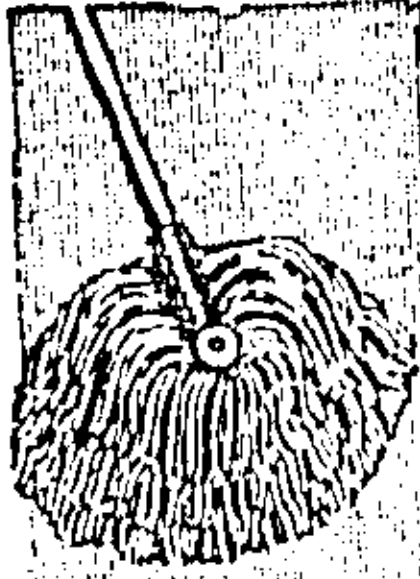


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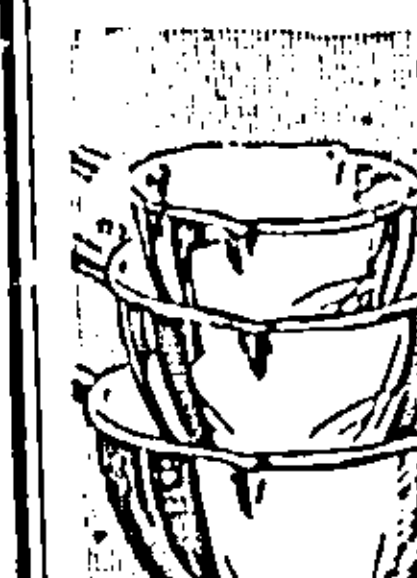
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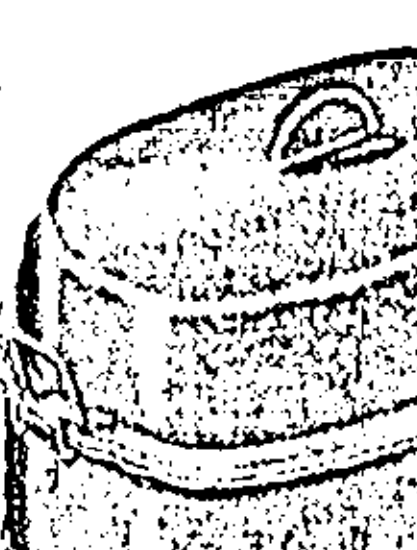
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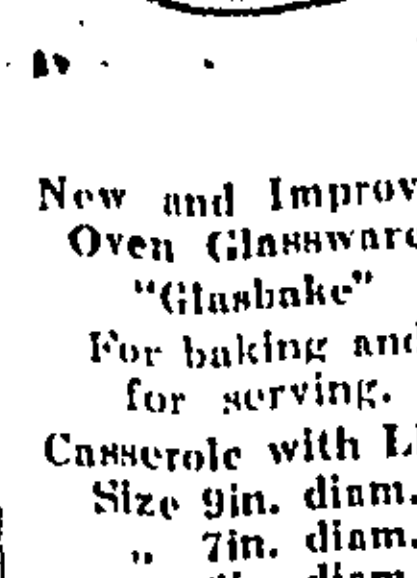
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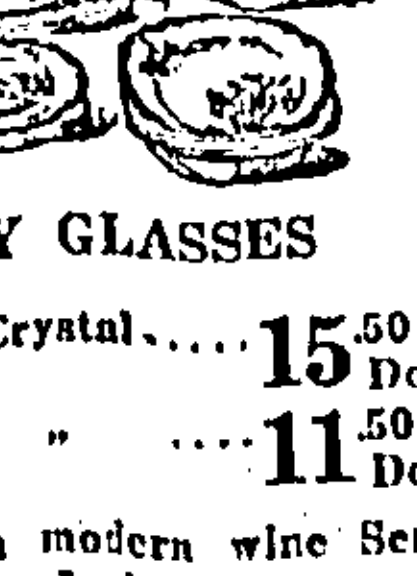
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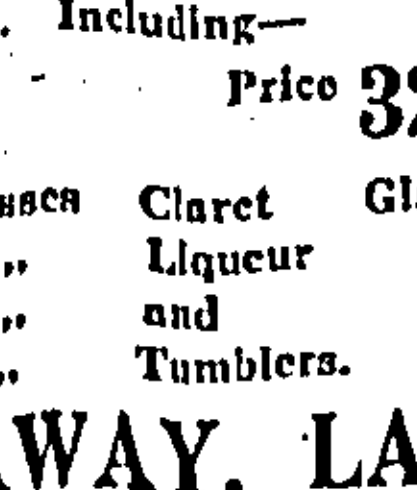
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Cocktail " Liqueur "
Sherry " and "
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LORD HALIFAX APPOINTMENT PLEASES

LONDON, YESTERDAY.
THE APPOINTMENT OF
LORD HALIFAX AS FOR-
EIGN SECRETARY HAS RE-
SULTED IN EXPRESSIONS
OF GRATIFICATION IN
BOTH ROME AND BERLIN.
ACCORDING TO MESSAGES
FROM THE ITALIAN AND
GERMAN CAPITALS.
In Rome, the appointment
has given satisfaction in poli-
tical circles, who think it is a
good augury for the success of
the forthcoming Anglo-Italian
talks.

SMOOTH THE WAY

In Berlin, a political spokesman
intimated to-day that the appoint-
ment may smooth the way to an
Anglo-German understanding, though
it may be long until a rapproche-
ment is finally reached.
The spokesman pointed out that
Lord Halifax learned the German
views from Herr Hitler. Lord
Halifax has no anti-German pre-
judices, and consequently Ger-
mans have confidence in him.—
Reuter.

MR. HOOVER ON MYSTERY TOUR

Paris, Yesterday.
Mr. Herbert Hoover, ex-Presi-
dent of the United States,
who was received by President
Albert Lebrun to-day, will con-
tinue his European tour to-mor-
row, and will meet the ex-
President of Poland, Ignace Pa-
derewski, in Lausanne on
Monday.
Mr. Hoover will then proceed to
Vienna, where the degree of hono-
rary doctor of philosophy will be
conferred on him.
Mr. Hoover will then go to Pra-
gue in order to converse with Pre-
sident Benes of Czechoslovakia,
and will next travel to Berlin.

OTHER CAPITALS

From March 10 to 13, Mr. Ho-
over will be the guest of the Polish
Government in Warsaw and Cra-
cow, and at the invitation of the
Finnish Government, will subse-
quently visit Helsinki.
Mr. Hoover's European tour also
comprises visits to the capitals of
the Scandinavian countries and
possibly Italy.
He will leave for the United
States on March 23.—Trans-Ocean.

ARMY "CARAVAN" AMBUSHED

Shanghai, Yesterday.
A caravan of Japanese motor-
trucks, loaded with war materials,
was ambushed by Chinese guerril-
las this morning several miles
north-east of Pongpu while the
vehicles were travelling through
hilly country.—Our Own Corre-
spondent.

CATHOLIC CELEBRATION IN NEW ZEALAND

Auckland (N.Z.), Yesterday.
The centenary of the introduc-
tion of Roman Catholicism into
New Zealand is being celebrated at
Auckland.
Catholic delegations from many
places in the Pacific are attending
the celebrations which are to last
a week.—Reuter.

JAPAN FINDS FRENCH SYMPATHISER

Kobe, Yesterday.
"Japan, go on your way courageously," were the
parting words of the French author, M. Far-
reres, as he sailed from Kobe at dawn to-day
on board the M.M. liner "Aramis" en route
to France, says the Japanese press.

On the eve of M. Farreres' departure, Mr. Akira Matsui, secretary of the Foreign Office, conveyed to him the Order of the Sacred Treasure, Second Class, which was granted to the author in recognition of his services in the promotion of friend-ship between France and Japan.
Interviewed by the press, M. Farreres said he would write an article on his impressions of Japan in the "Paris Soir," and that he was re-writing his book "La Bataille," which he had now found contained a number of mistakes.
Most precious thing that he got in Japan, M. Farreres said, was his discovery of the spirit of "La Bataille"—in other words, that the soul of the Japanese samurai was still living in Japan.—Reuter.

ANOTHER PUPPET IN WIND

Shanghai, Yesterday.
A new Government in Central China, in which connection ne-
gotiations between the interested parties and the Japanese authori-
ties are believed to have been brought to a successful conclusion, will formally be proclaimed on March 1, according to Chinese sources.
Although the new regime is adopting a policy of anti-Com-
munism, the reports declare that it will retain the Chinese flag of the National Government and will not work for overthrow of the Kuomintang.
It is uncertain at present whether the seat of the new Government will be located at Nanking or Shanghai, although preparations for its proclamation are said to all being made in Shanghai.—Reuter.

MISSION FOR DUKE KUNG TEH

Shanghai, Yesterday.
Duke Kung Teh-cheng, 74th lineal descendant of Confucius, will shortly be sent by the National Government on an investigation trip to England, according to Chinese press reports.
Accompanied by his wife, Duke Kung arrived in Chungking by steamer from Hankow yesterday afternoon, and was greeted by Party and Government officials.
After a brief sightseeing tour in Szechuen, he will leave the country for England.—Reuter.

GUNBOATS BOMBED AND SUNK IN YANGTSE

Hankow, Yesterday.
A Japanese gunboat lying be-
tween Tikang and Lukang along the Yangtse in Anhwei was bomb-
ed and sunk by a squadron of Chinese planes this morning.
Another Japanese gunboat of a larger size was also hit by Chinese bombs and damaged.—Central News.

"ULTIMATUM" DENIED

Tokyo, Yesterday.
The Japanese Government to-day officially denied reports that the United States Ambassador in Tokyo, Mr. Joseph Grew, had rejected the alleged Japanese demand for withdrawal of American citizens from the war areas in North China.
The Japanese Government had never addressed such a demand to the foreign powers.

Basis of the erroneous reports, is believed to be the fact that Japan addressed her Note to the foreign powers expressing the "most earnest desire" that foreign citizens in the war areas should provide themselves with sufficient marks of identification to avoid being attacked owing to lack of proof of their nationality.—Trans-Ocean.

ITALY DENIES SUEZ CANAL DEMAND

Cairo, Yesterday.
The Italian Minister in Cairo visited the Egyptian Premier to-day and informed him that Italy had no intention of participating in administration of the Suez Canal.

All reports to that effect were false, the Minister declared, and an official Italian announcement on the subject would be made in Rome some time to-day.

The demarche of the Italian Minister refers to reports that the Egyptian Government had demanded in London to be admitted to take part in the forthcoming Anglo-Italian negotiations, since it was rumoured that at these talks, the question of administration of the Suez Canal would play an important role, and that Italy would demand representation in the administration of the Canal.—Trans-Ocean.

INDIAN NAVY PROVISION

New Delhi, Yesterday.
It was announced during the Budget statement to-day that the British Government had agreed to forego India's annual contributions of approximately £135,000 towards the naval defence of India, on condition that India maintains not less than six modern escort vessels which will be free to co-operate with the Royal Navy.
The British Government's action will greatly contribute towards development of the Royal Indian Navy, as the above sum would be available as an addition to the £250,000 spent annually by India.—Reuter.

GOERING'S HUNTING TRIP

Warsaw, yesterday.
Three wild boar were Field-Marshal Hermann Goering's bag yesterday in a shooting party in Poland at which he was the guest of President Moscicki.
Field-Marshal Goering left for Berlin in the evening.—Trans-Ocean.

SOVIET REPRISAL FEARED

Tokyo, Yesterday.
The Soviet Government says the newspaper "Nichi Nichi," recently made representations to the Japanese Foreign Office in regard to detention of a Soviet freighter by the Hokkaido authorities.

The vessel, which was detained on the grounds of the Military Secrets Protection Law, was alleged to have anchored in the fortified zone of Hokkaido.

The Soviet Note, says the newspaper, declared that the Soviet Government would take some "appropriate measures" in retaliation.

REPRISALS?

The Japanese authorities, according to the journal, are considering counter-measures. They fear that the Soviet might plan to seize steamers of the North Japan Steamship Company which ply between Tauruga and Vladivostok.
The situation, concludes "Nichi Nichi," is considered "delicate."—Reuter.

DEMONSTRATION BANNED

Paris, Yesterday.
A demonstration planned by the Thaelmann Committee to take place in Paris on the occasion of the anniversary of the Reichstag fire, has been banned by order of M. Albert Sarraut, Minister of the Interior.

The French Communist Party used the front page of this morning's edition of "l'Humanite" to protest against the ban and also urged Left Wing Deputies to bring the matter up for debate in the Chamber.—Trans-Ocean.

GRAZ UNIVERSITY CLOSED DOWN

Vienna, Yesterday.
The University and School of Technology in Graz were closed yesterday at the order of the Federal Ministry of Education.
Reasons for the step have not been announced, though it possibly has some connection with the riots in Graz which followed the Chancellor's speech.—Trans-Ocean.

NO NEW TAXES

It was also announced to-day that there would be no new taxation in the budget in spite of additional expenditure in connection with introduction of provin-
autonomy, separation of Burma, and the Waziristan situation.
The surplus for 1937 is estimated at £70,000 and a similar surplus is estimated for 1938/39.—Reuter.

WOLVES WIN AGAIN

NEWCASTLE UPSET
THE VILLA
LONDON "DERBY"

London, Yesterday.
The following are the results of Home football matches played to-day.

FIRST DIVISION		
Birmingham	2	Sunderland 2
Clifton Athletic	1	Brentford 0
Chelsea	1	Blackpool 3
Grimby	4	Huddersfield 2
Leeds U.	4	Everton 4
Liverpool	0	Wolverhampton 1
Middlesbrough	4	Derby 2
Portsmouth	0	Arsonal 0
Preston	2	Bolton W. 2
Stoke City	3	Manchester C. 2
W. Brom.	1	Leicester 3

SECOND DIVISION		
Barnsley	1	West Ham 0
Burnley	0	Plymouth 2
Bury	4	Chesterfield 0
Coventry	5	Swansea 0
Luton Town	4	Bradford 2
Manchester U.	2	Blackburn 1
Newcastle	2	Anton Villa 0
Notts For.	1	Norwich 2
Sheffield U.	2	Sheffield W. 1
Stockport	0	Southampton 0
Tottenham	1	Fulham 1

THIRD DIVISION (SOUTH)		
Bournemouth	1	Notts C. 1
Brighton	2	Crystal P. 1
Bristol Rovers	2	Gillingham 1
Cardiff City	3	Newport 1
Clapton Orient	2	Aldershot 1
Mansfield Town	2	Exeter City 3
Northampton	3	Watford 0
Queen's Park	3	Reading 0
Southend	1	Millwall 2
Torquay	1	Swindon 0
Walsall	2	Bristol City 8

THIRD DIVISION (NORTH)		
Accrington	0	Lincoln 3
Bradford City	2	Darlington 1
Carlisle United	0	Hull City 1
Chester	6	Hatfield 0
Doncaster	0	Crews 0
Halifax	2	New Brighton 0
Reckdale	3	Barrow 3
Rotherham	1	Wrexham 1
Southport	1	Port Vale 0
Tranmere	4	Gateshead 2
York City	0	Oldham Athletic 0

SCOTTISH LEAGUE FIRST DIVISION

Arbroath	2	Morton 2
Celtic	5	St. Mirren 1
Dundee	6	St. Johnstone 1
Falkirk	2	Partick 1
Thistle	1	
Hearts	2	Hamilton A. 1
Kilmarnock	2	Glyde 1
Motherwell	1	Hibernian 0
Queen O.S.	1	Queen's Pk. 3
Rangers	2	Aberdeen 2
Third Lanark	2	Ayr United 2

SECOND DIVISION

Albion	2	Leith 1
Alloa	2	Dundee 4
Dumbarton	4	King's Park 1
Dunfermline	0	Airdrie 4
East Fife	5	Sten'muir 1
East Stirling	2	Brechin 1
Forfar	0	Cowdenbeath 5
Montrose	4	Edinburgh 1
St. Bernard's	0	Rath Rovers 3

RUGGER INTERNATIONAL

Scotland 23 Ireland 14
(At Murrayfield)
—Reuter.

[No correction had been received up to 3.30 a.m.—Ed.]

Printed and Published for the Proprietors, The Newspaper Enterprise Ltd., by CONWAY CADE BURNETT at 5A, Wyndham Street, Victoria, Hong Kong